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|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

## Filing at a Glance

|                           |  |
|---------------------------|--|
| Company:                  | Underwriters at Lloyd's, London  |
| Product Name:             | Medical Professional Liability Rate Filing                             |
| State:                    | Illinois   |
| TOI:                      | 11.2 Med Mal-Claims Made Only  |
| Sub-TOI:                  | 11.2000 Med Mal Sub-TOI Combinations                                   |
| Filing Type:              | Rate   |
| Date Submitted:           | 01/08/2014   |
| SERFF Tr Num:             | LLIL-129364866   |
| SERFF Status:             | Closed-Filed   |
| State Tr Num:             |  |
| State Status:             | Under Review   |
| Co Tr Num:                | LII0482010814R   |
| Effective Date            | 01/08/2014   |
| Requested (New):          |  |
| Effective Date            | 01/08/2014   |
| Requested (Renewal):      |  |
| Author(s):                | Tom Oberwetter, John Dinges, Bill Wallace, Kenneth Maier, Terry Tyrpin |
| Reviewer(s):              | Gayle Neuman (primary), Julie Rachford, Caryn Carmean                  |
| Disposition Date:         | 05/09/2014   |
| Disposition Status:       | Filed  |
| Effective Date (New):     | 01/08/2014   |
| Effective Date (Renewal): | 01/08/2014   |
| State Filing Description: |  |
|                           | routed 1/31/14   |

**State:** Illinois  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

**Filing Company:** Underwriters at Lloyd's, London

## General Information

Project Name: Status of Filing in Domicile:  
Project Number: LII0482010814R Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 05/09/2014  
State Status Changed: 02/07/2014 Deemer Date:  
Created By: John Dinges Submitted By: John Dinges  
Corresponding Filing Tracking Number:

### Filing Description:

This is a rate filing for medical malpractice coverage in relation to a forms filing submitted earlier today to the Department as described in the filing letter in the 'Supporting Documentation' tab in this SERFF filing.

## Company and Contact

### Filing Contact Information

John Dinges, Senior Compliance Analyst john.dinges@lloyds.com  
181 West Madison 312-407-6210 [Phone]  
Suite 3870 312-407-6229 [FAX]  
Chicago, IL 60602

### Filing Company Information

Underwriters at Lloyd's, London CoCode: 15792 State of Domicile: Illinois  
181 West Madison Group Code: Company Type:  
Suite 3870 Group Name: State ID Number: 15792  
Chicago, IL 60602 FEIN Number: 36-1404320  
(312) 407-6200 ext. [Phone]

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:  
Per Company: Yes

| Company                         | Amount   | Date Processed | Transaction # |
|---------------------------------|----------|----------------|---------------|
| Underwriters at Lloyd's, London | \$100.00 | 01/08/2014     | 78192266      |

## State Specific

Refer to our checklists prior to submitting filing ([http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp)):  
Done

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: Done

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP

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|                             |  |                        |                                 |
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| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. :

[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp) .: N/A

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: Med Mal Rate Filing

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": N/A

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: Rate Filing

State: Illinois

Filing Company:

Underwriters at Lloyd's, London

TOI/Sub-TOI: 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations

Product Name: Medical Professional Liability Rate Filing

Project Name/Number: /LII0482010814R

## Correspondence Summary

### Dispositions

| Status | Created By   | Created On | Date Submitted |
|--------|--------------|------------|----------------|
| Filed  | Gayle Neuman | 05/09/2014 | 05/09/2014     |

### Objection Letters and Response Letters

#### Objection Letters

| Status                    | Created By   | Created On | Date Submitted |
|---------------------------|--------------|------------|----------------|
| Pending Industry Response | Gayle Neuman | 03/12/2014 | 03/12/2014     |
| Pending Industry Response | Gayle Neuman | 03/06/2014 | 03/06/2014     |
| Pending Industry Response | Gayle Neuman | 03/06/2014 | 03/06/2014     |
| Pending Industry Response | Gayle Neuman | 01/31/2014 | 01/31/2014     |
| Pending Industry Response | Gayle Neuman | 01/29/2014 | 01/29/2014     |
| Pending Industry Response | Gayle Neuman | 01/22/2014 | 01/22/2014     |
| Pending Industry Response | Gayle Neuman | 01/22/2014 | 01/22/2014     |
| Pending Industry Response | Gayle Neuman | 01/21/2014 | 01/21/2014     |
| Pending Industry Response | Gayle Neuman | 01/13/2014 | 01/13/2014     |

#### Response Letters

| Responded By | Created On | Date Submitted |
|--------------|------------|----------------|
| John Dinges  | 03/12/2014 | 03/12/2014     |
| John Dinges  | 03/07/2014 | 03/07/2014     |
| John Dinges  | 03/07/2014 | 03/07/2014     |
| John Dinges  | 01/31/2014 | 01/31/2014     |
| John Dinges  | 01/31/2014 | 01/31/2014     |
| John Dinges  | 01/29/2014 | 01/29/2014     |
| John Dinges  | 01/22/2014 | 01/22/2014     |
| John Dinges  | 01/21/2014 | 01/21/2014     |
| John Dinges  | 01/16/2014 | 01/16/2014     |

|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

## Amendments

| Schedule | Schedule Item Name | Created By  | Created On | Date Submitted |
|----------|--------------------|-------------|------------|----------------|
| Rate     | Rating Rules       | John Dinges | 01/22/2014 | 01/22/2014     |

## Filing Notes

| Subject                               | Note Type        | Created By    | Created On | Date Submitted |
|---------------------------------------|------------------|---------------|------------|----------------|
| effective date                        | Note To Reviewer | John Dinges   | 05/09/2014 | 05/09/2014     |
| effective date - 2nd request          | Note To Filer    | Gayle Neuman  | 05/09/2014 | 05/09/2014     |
| effective date                        | Note To Filer    | Gayle Neuman  | 05/02/2014 | 05/02/2014     |
| Your objection dated January 22, 2013 | Note To Reviewer | John Dinges   | 01/22/2014 | 01/22/2014     |
| Actuarial Review                      | Reviewer Note    | Caryn Carmean | 05/01/2014 |                |

|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LIIO482010814R  |                        |                                 |

## Disposition

Disposition Date: 05/09/2014  
Effective Date (New): 01/08/2014  
Effective Date (Renewal): 01/08/2014  
Status: Filed

Comment:

| Company<br>Name:                | Overall %<br>Indicated<br>Change: | Overall %<br>Rate<br>Impact: | Written Premium<br>Change for<br>this Program: | Number of Policy<br>Holders Affected<br>for this Program: | Written<br>Premium for<br>this Program: | Maximum %<br>Change<br>(where req'd): | Minimum %<br>Change<br>(where req'd): |
|---------------------------------|-----------------------------------|------------------------------|--|---|---|---------------------------------------|---------------------------------------|
| Underwriters at Lloyd's, London | 12.260%                           | 12.260%                      | \$17,422                                       | 612   | \$142,061                               | 17.000%                               | 0.000%                                |

| Schedule            | Schedule Item  | Schedule Item Status | Public Access |
|---------------------|--|----------------------|---------------|
| Supporting Document | Explanatory Memorandum                               |                      | Yes           |
| Supporting Document | Form RF3 - (Summary Sheet)                           |                      | Yes           |
| Supporting Document | Certification  |                      | Yes           |
| Supporting Document | Manual   |                      | Yes           |
| Supporting Document | Request to Maintain Data as Trade Secret Information |                      | Yes           |
| Supporting Document | Rates with changes highlighted                       |                      | Yes           |
| Supporting Document | Supplemental document                                |                      | Yes           |
| Rate (revised)      | Rating Rules   |                      | Yes           |
| Rate                | Rating Rules   |                      | Yes           |
| Rate                | Rating Rules   |                      | Yes           |
| Rate                | RF-3   |                      | Yes           |

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|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 03/12/2014                |
| Submitted Date          | 03/12/2014                |
| Respond By Date         | 03/19/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*I previously wrote about the Rating Rules previously attached to 1/21/14 response. You will need to again attach it as we are having problems viewing it.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

*Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:*

*[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp)*

*Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.*

*Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.*

*Sincerely,*

*Gayle Neuman*

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**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 03/06/2014                |
| Submitted Date          | 03/06/2014                |
| Respond By Date         | 03/13/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

- 1. Are these "rates" based on Beazley's or Lloyds?*
- 2. Under the Rating Rules, paragraphs 5 through 12 indicating varying factors. Please explain the reason for this range.*
- 3. Please explain the "Association Membership Fee due annually". Are these "fees" charged by the insurer?*
- 4. Are any scheduled rating factors considered in writing this business?*

**Conclusion:**

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*Sincerely,*

*Gayle Neuman*



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|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 03/06/2014                |
| Submitted Date          | 03/06/2014                |
| Respond By Date         | 03/13/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*Please send again the attachment on your 1/21/14 response. Internet Explorer will not open it.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

*Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:*

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*Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.*

*Sincerely,*

*Gayle Neuman*

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|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 01/31/2014                |
| Submitted Date          | 01/31/2014                |
| Respond By Date         | 02/07/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*The premium has somehow changed from \$162,061 to \$142,061. Please explain.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

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*Sincerely,*

*Gayle Neuman*

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|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

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|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 01/29/2014                |
| Submitted Date          | 01/29/2014                |
| Respond By Date         | 02/05/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*You will now need to submit a completed RF-3 form.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

*Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:*

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*Sincerely,*

*Gayle Neuman*

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|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 01/22/2014                |
| Submitted Date          | 01/22/2014                |
| Respond By Date         | 01/31/2014                |

---

Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*Please contact the SERFF Helpdesk on how to submit a post submission update so that this issue can be resolved. The information you keep providing is not what we are requesting.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

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*Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.*

*Sincerely,*

*Gayle Neuman*

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| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 01/22/2014                |
| Submitted Date          | 01/22/2014                |
| Respond By Date         | 01/29/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*You have indicated Lloyd's does not or will not report statistics to statistical agencies with respect to this filing. Will Lloyd's be reporting them in house instead?*

*As previously indicated, you are requested to complete information on the Rate/Rule Schedule tab. This HAS to be done with a post-submission update. If you proceed with the post submission update, you will then be able to see the rate/rule information we are attempting to request.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

*Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:*

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*Sincerely,*

*Gayle Neuman*

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|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 01/21/2014                |
| Submitted Date          | 01/21/2014                |
| Respond By Date         | 01/28/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*You are requested to complete the information requested on the Rate/Rule Schedule tab. This may have to be done with a post-submission update.*

*Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?*

**Conclusion:**

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*Sincerely,*

*Gayle Neuman*

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|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Objection Letter

|                         |                           |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date   | 01/13/2014                |
| Submitted Date          | 01/13/2014                |
| Respond By Date         | 01/20/2014                |

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Dear John Dinges,

**Introduction:**

*This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:*

*You are requested to complete the Rate/Rule Schedule Tab information. Additionally, pursuant to 50 Ill. Adm. Code 754.10, identification of all changes in all superseding filings is required. Please overstrike the deleted text and underline the added text.*

**Conclusion:**

*Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>*

*Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:*

*[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.asp](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp)*

*Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.*

*Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.*

*Sincerely,*

*Gayle Neuman*

|                             |  |                          |                                 |                            |               |
|-----------------------------|--|--------------------------|---------------------------------|----------------------------|---------------|
| <b>SERFF Tracking #:</b>    | LLIL-129364866   | <b>State Tracking #:</b> |                                 | <b>Company Tracking #:</b> | LI0482010814R |
| <b>State:</b>               | Illinois   | <b>Filing Company:</b>   | Underwriters at Lloyd's, London |                            |               |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                          |                                 |                            |               |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                          |                                 |                            |               |
| <b>Project Name/Number:</b> | /LI0482010814R   |                          |                                 |                            |               |

## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 03/12/2014         |
| Submitted Date         | 03/12/2014         |

Dear Gayle Neuman,

### Introduction:

Dear Ms. Neuman,

### Response 1

#### Comments:

Attached is the document that I submitted on January 21, 2014. However, this is merely an exerpt the rate manual, as I did not understand (at that time) that the 'Rate/Rule Schedule' tab in SERFF instead needed to be completed.

### Changed Items:

| Supporting Document Schedule Item Changes |   |
|---|---|
| <b>Satisfied - Item:</b>                  | Supplemental document   |
| <b>Comments:</b>                          | Attached is the document that I previously submitted on Janaury 21, 2014. |
| <b>Attachment(s):</b>                     | viewScheduleItemAttachment.pdf  |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

Please contact me if you have any questions.

Sincerely,

John Dinges

Sincerely,

John Dinges



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|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 03/07/2014         |
| Submitted Date         | 03/07/2014         |

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Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

*The following are the underwriter's response at Beazley Syndicate in the same order as your objections:*

1. Rates are based on Beazley Syndicate rates (applicable only to Beazley Syndicate, who are a part of Lloyd's).
2. As regards items 5-12 the default factor is always 1.0 and justification is required on any deviation or use of any factor.

*Item 5-State factor allows for deviation from base rates based on jurisdiction. As an example we would debit a member domiciled in South Florida or West Virginia as claims awards there tend to be higher than average.*

*Item 6-Allows multi location risks to have pricing adjusted to reflect the increased exposure that accompanies multi location risks.*

*Item 7. Allows the ability to adjust pricing to reflect the individual characteristics of a risk. This encompasses:*

*High/low risk clients ranging from as an example an occupational therapist working in correctional facilities (higher risk) to one working in a hospital environment under supervision (lower risk).*

*Length of time in business considers how long a business has been operating-a long history with no claims issues is a lower risk than a new start up where the principals have no prior experience of running a healthcare business.*

*Staff supervision considers the type of services provided and experience of staff, and whether such staff should be under supervision and what controls are in place.*

*Item 8-allows modification of pricing to account for prior claims history.*

*Item 9 allows for modification in pricing due to prior disciplinary investigations or rulings.*

*Item 10 allows for rate adjustment for large accounts to address the increased exposures a large business may have when the rating under this program is based on full time equivalent employees rather than revenue based (larger companies often use independent contractors and that exposure needs to be accounted for).*

*Item 11 is a one time credit we grant to military veterans in recognition of their services to the United States.*

*Item 12 is an Association specific factor that recognises higher levels of membership achieved through higher levels of training which reduces the probability of loss.*

3. No, these are not fees charged by the Insurer. They are fees charged by the Associations as a part of membership costs.

4. No factors are contemplated beyond those set out in the rating rules.

**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

**Changed Items:**

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Please contact me if you have any questions.*

*Sincerely,*

*John Dinges*

*Sincerely,*

*John Dinges*

---

|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 03/07/2014         |
| Submitted Date         | 03/07/2014         |

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Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

Can you please disregard the attachment in my response dated January 21, 2014? This was merely the manual reattached as I did not understand (at that time) that the 'Rate/Rule Schedule' tab in SERFF instead needed to be completed.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

I will be responding to your other four objections separately later today.

Please contact me if you have any other questions.

Sincerely,

John Dinges

Sincerely,

John Dinges

---

|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

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## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 01/31/2014         |
| Submitted Date         | 01/31/2014         |

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Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

We have just received confirmation from the underwriter at Beazley Syndicate that the correct premium is \$142,061. I have therefore updated the Post Submission update to reflect this. The information that I previously submitted in the first Post submission update came to us in a hand written format. The Written Premium appeared to me to be '\$162,061' but is in fact '\$142,061', and we do have confirmation of this from Beazley.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

I apologize for this error.

Sincerely,

John Dinges

Sincerely,

John Dinges

|                      |  |                 |                                 |
|----------------------|--|-----------------|---------------------------------|
| State:               | Illinois   | Filing Company: | Underwriters at Lloyd's, London |
| TOI/Sub-TOI:         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                 |                                 |
| Product Name:        | Medical Professional Liability Rate Filing                         |                 |                                 |
| Project Name/Number: | /LII0482010814R  |                 |                                 |

## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 01/31/2014         |
| Submitted Date         | 01/31/2014         |

Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

Please see the attached RF-3 Summary Sheet.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

| Rate Schedule Item Changes |              |                  |             |                              |                               |
|----------------------------|--------------|------------------|-------------|------------------------------|-------------------------------|
| Item No.                   | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Date Submitted                |
| 1                          | RF-3         | 1                | New         |                              | 01/31/2014<br>By: John Dinges |

**Conclusion:**

Please contact me if you have any questions.

Sincerely,

John Dinges

Sincerely,

John Dinges

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**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 01/29/2014         |
| Submitted Date         | 01/29/2014         |

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Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

In reference to your objection, please see the post-submission update that I've just submitted this morning. The figures in the post submission update represent the portion of this program that is subject to medical malpractice requirements.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Please contact me if you have any questions.

Sincerely,

John Dinges

Sincerely,

John Dinges

---

**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 01/22/2014         |
| Submitted Date         | 01/22/2014         |

---

Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

I have just submitted an amendment to this filing, which should hopefully enable you to view the exhibit contained in the 'Rate/Rule Schedule' tab in SERFF.

Regarding your question, because Lloyd's is a market, the statistical information will be retained by Beazley Syndicate.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Please contact me if you have any questions.

Sincerely,

John Dinges

Sincerely,

John Dinges

|                      |  |                 |                                 |
|----------------------|--|-----------------|---------------------------------|
| State:               | Illinois   | Filing Company: | Underwriters at Lloyd's, London |
| TOI/Sub-TOI:         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                 |                                 |
| Product Name:        | Medical Professional Liability Rate Filing                         |                 |                                 |
| Project Name/Number: | /LII0482010814R  |                 |                                 |

## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 01/21/2014         |
| Submitted Date         | 01/21/2014         |

Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman.

**Response 1**

**Comments:**

Hopefully, you are able to see the rates now, which appear in the Rate/Rule Schedule tab. In response to your question, Lloyd's does not or will not report statistics to statistical agencies with respect to this filing.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

| Rate Schedule Item Changes |              |                  |             |                              |                               |
|----------------------------|--------------|------------------|-------------|------------------------------|-------------------------------|
| Item No.                   | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Date Submitted                |
| 1                          | Rating Rules |                  | New         |                              | 01/21/2014<br>By: John Dinges |
| Previous Version           |              |                  |             |                              |                               |
| 1                          | Rating Rules |                  | New         |                              | 01/16/2014<br>By: John Dinges |

**Conclusion:**

Please contact me if you have any questions.

Sincerely,

John Dinges

Sincerely,

John Dinges



|                      |  |                 |                                 |
|----------------------|--|-----------------|---------------------------------|
| State:               | Illinois   | Filing Company: | Underwriters at Lloyd's, London |
| TOI/Sub-TOI:         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                 |                                 |
| Product Name:        | Medical Professional Liability Rate Filing                         |                 |                                 |
| Project Name/Number: | /LII0482010814R  |                 |                                 |

## Response Letter

|                        |                    |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date   | 01/16/2014         |
| Submitted Date         | 01/16/2014         |

Dear Gayle Neuman,

**Introduction:**

Dear Ms. Neuman,

**Response 1**

**Comments:**

We have been advised that that only a couple of changes to the rates have occurred, and these are now highlighted per the attached redline version of the rates. All the predominant rating factors are unchanged such as step factors, credit/debits etc.

**Changed Items:**

| Supporting Document Schedule Item Changes |  |
|---|--|
| Satisfied - Item:                         | Rates with changes highlighted           |
| Comments:                                 | 'Redline' version of the rates attached. |
| Attachment(s):                            | Rates.pdf                                |

No Form Schedule items changed.

| Rate Schedule Item Changes |              |                  |             |                              |                               |
|----------------------------|--------------|------------------|-------------|------------------------------|-------------------------------|
| Item No.                   | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Date Submitted                |
| 1                          | Rating Rules |                  | New         |                              | 01/16/2014<br>By: John Dinges |

**Conclusion:**

Please contact me if you have any questions.

Sincerely,

John Dinges

Sincerely,

|                             |  |                          |                                 |                            |                |
|-----------------------------|--|--------------------------|---------------------------------|----------------------------|----------------|
| <b>SERFF Tracking #:</b>    | LLIL-129364866   | <b>State Tracking #:</b> |                                 | <b>Company Tracking #:</b> | LII0482010814R |
| <b>State:</b>               | Illinois   | <b>Filing Company:</b>   | Underwriters at Lloyd's, London |                            |                |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                          |                                 |                            |                |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                          |                                 |                            |                |
| <b>Project Name/Number:</b> | /LII0482010814R  |                          |                                 |                            |                |

John Dinges

|                      |  |                 |                                 |
|----------------------|--|-----------------|---------------------------------|
| State:               | Illinois   | Filing Company: | Underwriters at Lloyd's, London |
| TOI/Sub-TOI:         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                 |                                 |
| Product Name:        | Medical Professional Liability Rate Filing                         |                 |                                 |
| Project Name/Number: | /LII0482010814R  |                 |                                 |

## Amendment Letter

Submitted Date: 01/22/2014

Comments:

Dear Ms. Neuman,

Attached is the exhibit that appears in the 'Rate/Rule Schedule' tab in SERFF.

Changed Items:

*No Form Schedule Items Changed.*

| Rate Schedule Item Changes |              |                  |             |                              |                               |
|----------------------------|--------------|------------------|-------------|------------------------------|-------------------------------|
| Item No.                   | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Date Submitted                |
| 1                          | Rating Rules |                  | New         |                              | 01/22/2014<br>By:             |
| Previous Version           |              |                  |             |                              |                               |
| 1                          | Rating Rules |                  | New         |                              | 01/21/2014<br>By: John Dinges |
| Previous Version           |              |                  |             |                              |                               |
| 1                          | Rating Rules |                  | New         |                              | 01/16/2014<br>By: John Dinges |

*No Supporting Documents Changed.*

---

|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

## Note To Reviewer

**Created By:**

John Dinges on 05/09/2014 10:58 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/09/2014 11:41 AM

**Subject:**

effective date

**Comments:**

Dear Ms. Neuman,

I apologize for my delayed response. We have confirmation from Beazley Syndicate that they would like the effective date of this rate filing to be January 8, 2014.

Please contact me if you have any questions.

Sincerely,

John Dinges

**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

## Note To Filer

**Created By:**

Gayle Neuman on 05/09/2014 09:15 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/09/2014 11:41 AM

**Subject:**

effective date - 2nd request

**Comments:**

The Department of Insurance has now completed its review of this filing. You previously requested the filing be effective January 8, 2014. Was the filing put in effect on that date or do you wish to have a different effective date? Your prompt response is appreciated.

**State:** Illinois**Filing Company:** Underwriters at Lloyd's, London**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations**Product Name:** Medical Professional Liability Rate Filing**Project Name/Number:** /LII0482010814R

## Note To Filer

**Created By:**

Gayle Neuman on 05/02/2014 08:39 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/09/2014 11:41 AM

**Subject:**

effective date

**Comments:**

The Department of Insurance has now completed its review of this filing. You previously requested the filing be effective January 8, 2014. Was the filing put in effect on that date or do you wish to have a different effective date? Your prompt response is appreciated.

**State:** Illinois**Filing Company:** Underwriters at Lloyd's, London**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations**Product Name:** Medical Professional Liability Rate Filing**Project Name/Number:** /LII0482010814R

## Note To Reviewer

**Created By:**

John Dinges on 01/22/2014 03:08 PM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/09/2014 11:41 AM

**Subject:**

Your objection dated January 22, 2013

**Comments:**

Dear Ms. Neuman,

I believe I understand what information is required now. I will have to revert to Beazley Syndicate for this information.

I apologize for my misunderstanding.

Sincerely,

John Dinges

**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

## Reviewer Note

**Created By:**

Caryn Carmean on 05/01/2014 03:37 PM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

05/09/2014 11:41 AM

**Subject:**

Actuarial Review

**Comments:**

Actuarial Review completed



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**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

## Post Submission Update Request Processed On 01/31/2014

Status: Allowed  
Created By: John Dinges  
Processed By: Gayle Neuman  
Comments:

### Company Rate Information:

Company Name: Underwriters at Lloyd's, London

| Field Name                       | Requested Change | Prior Value |
|----------------------------------|------------------|-------------|
| Written Premium for this Program | \$142061         | \$162061    |

**State:** Illinois **Filing Company:** Underwriters at Lloyd's, London  
**TOI/Sub-TOI:** 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations  
**Product Name:** Medical Professional Liability Rate Filing  
**Project Name/Number:** /LII0482010814R

## Post Submission Update Request Processed On 01/29/2014

Status: Allowed  
Created By: John Dinges  
Processed By: Gayle Neuman  
Comments:

### Rate Information:

| Field Name        | Requested Change | Prior Value |
|-------------------|------------------|-------------|
| Rate Data Applies | Yes              | No          |

### Company Rate Information:

Company Name:Underwriters at Lloyd's, London

| Field Name   | Requested Change | Prior Value |
|--|------------------|-------------|
| Overall % Indicated Change                         | 12.260%          |             |
| Overall % Rate Impact                              | 12.260%          |             |
| Written Premium Change for this Program            | \$17422          |             |
| Number of Policy Holders Affected for this Program | 612              |             |
| Written Premium for this Program                   | \$162061         |             |
| Maximum %Change (where required)                   | 17.000%          |             |
| Minimum %Change (where required)                   | 0.000%           |             |

|                             |  |                          |                                 |                            |                |
|-----------------------------|--|--------------------------|---------------------------------|----------------------------|----------------|
| <b>SERFF Tracking #:</b>    | LLIL-129364866   | <b>State Tracking #:</b> |                                 | <b>Company Tracking #:</b> | LII0482010814R |
| <b>State:</b>               | Illinois   | <b>Filing Company:</b>   | Underwriters at Lloyd's, London |                            |                |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                          |                                 |                            |                |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                          |                                 |                            |                |
| <b>Project Name/Number:</b> | /LII0482010814R  |                          |                                 |                            |                |

## Rate Information

Rate data applies to filing.

**Filing Method:**

**Rate Change Type:** %

**Overall Percentage of Last Rate Revision:** %

**Effective Date of Last Rate Revision:**

**Filing Method of Last Filing:**

## Company Rate Information

| <b>Company Name:</b>            | <b>Overall % Indicated Change:</b> | <b>Overall % Rate Impact:</b> | <b>Written Premium Change for this Program:</b> | <b>Number of Policy Holders Affected for this Program:</b> | <b>Written Premium for this Program:</b> | <b>Maximum % Change (where req'd):</b> | <b>Minimum % Change (where req'd):</b> |
|---------------------------------|------------------------------------|-------------------------------|---|--|--|--|--|
| Underwriters at Lloyd's, London | 12.260%                            | 12.260%                       | \$17,422  | 612  | \$142,061                                | 17.000%                                | 0.000%                                 |

|                      |  |                 |                                 |
|----------------------|--|-----------------|---------------------------------|
| State:               | Illinois   | Filing Company: | Underwriters at Lloyd's, London |
| TOI/Sub-TOI:         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                 |                                 |
| Product Name:        | Medical Professional Liability Rate Filing                         |                 |                                 |
| Project Name/Number: | /LII0482010814R  |                 |                                 |

## Rate/Rule Schedule

| Item No. | Schedule Item Status | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Attachments                    |
|----------|----------------------|--------------|------------------|-------------|------------------------------|--------------------------------|
| 1        |                      | Rating Rules |                  | New         |                              | viewScheduleItemAttachment.pdf |
| 2        |                      | RF-3         | 1                | New         |                              | IL RF-3 (2).pdf                |

## RATING RULES

### A. PREMIUM CALCULATION

1. BASE RATE

First determine the appropriate Occupation and identify the applicable base rate from the Base Rate Chart. If there are multiple Occupations insured under the same policy the premium will be based upon the highest rated occupation.

2. EMPLOYMENT STATUS FACTOR

Identify the number of each of the following and apply the Employment Status factor to

the

number of each category.

| Employment Status               | Factor |
|---------------------------------|--------|
| Full Time Owners (GROUPS ONLY)  | 2.00   |
| Part Time Owners (GROUPS ONLY)  | 1.50   |
| Employed full time or part time | 1.00*  |
| Self Employed Full Time**       | 1.90*  |
| Self Employed Part Time**       | 1.40*  |

\* ISSA new business effective XX/XX/XXXX and after will only have one base rate regardless of employment category and hours. Existing business will have their prior rate structure grandfathered.

\*\*Physical Therapists that are Self-Employed (Full-Time and Part-Time) have their own base rate listed in the Base Rate by Occupation grid below, and are not subject to any additional self-employed full-time or part-time debit factor.

3. STUDENTS

Students, if enrolled full time in an accredited student program, are written on individual policies and rated at a flat premium charge of \$18 the first year and \$20 for each subsequent renewal. A single per claim/aggregate limit of liability of \$1,000,000/\$3,000,000 at a zero deductible applies to all Student policies. PMA students are an agreed to exception of \$18 for all years.

4. Calculate the Employed Only Individual Premium as follows:

(Occupation Base Rate) (Employment status factor- *always is 1.0*) (Increase Limit Factor) ( Prior Acts Factor) (State Factor of *default to 1.0*) (Claims Debit) (Disciplinary Debit) = Annual Employed Only Premium + 8% x Annual Employed Only Premium = Final Premium plus fees Rounded.

5. Calculate the Self Employed Full Time or Part Time Individual as follows:

[(Occupation Base Rate) (Self Employed Full Time Factor **of 1.9 or 1.4** for Part Time) ( Experience Factor) (Increase Limit Factor) ( Prior Acts Factor)( State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) ( Claims Debit) ( Disciplinary Debit) ( Risk Management Course Credit *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

6. Calculate the ISSA Individual first written XX/XX/XXX or later as follows:

[(Occupation Base Rate) (Experience Factor) (Increase Limit Factor) ( Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (

Claims Debit) (Disciplinary Debit) ( Risk Management Course Credit *default to 1.0* ) (Military Veteran Credit *default to 1.0*) (ISSA Specialty Level Factor *default to 1.0*) (1% Additional Insured surcharge) = **Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.**

7. Calculate Group Premium as follows:

[Calculate Full Time Owners at Employed rate for Occupation X 2.00 and Part Time Owners at Employed rate for Occupation X 1.50, then total all for **Owner Total**] [Calculate all Employees (and any IC's we are charging for) using Employed rate for Occupation, then total all for **Employed Total**]

(**Owner Total + Employed Total**) (group step factor) (Increase Limit Factor at minimum deductible) (State Factor) (Claims Debit) (Disciplinary Debit) (Individual Risk Modifier) (Multiple Locations) (Gross Revenue Modifier) (staff size credit) = **Total Premium Rounded + Additional Insured Premium Rounded = Total Premium with Optional Coverages + 8% x ( Total Premium Rounded with Optional Coverages) = Final Premium plus fees Rounded.**

- NOTE: Administrative Fee is currently 6% pending implementation of the new system, at which time it will be increased to 8%.

## B. RATING COMPONENTS

### 1. STAFF SIZE CREDITS (GROUPS ONLY)

- Groups will be given credit based on the size of the firm:
  - 3-5 = 4% credit
  - 6-10 = 6% credit
  - 11-15 = 8% credit
  - 16-19 = 10% credit
  - 20 or more = 15% credit (refer to Senior Underwriter)

### 2. LIMITS OF LIABILITY\*

The following limits are available with applicable Decrease/Increase Limits Factors (ILF's). The ILF should be applied to the rate for a \$1,000,000/\$3,000,000 policy to arrive at the correct base premium.

| Limit/Aggregate             | Factor |                                  |
|-----------------------------|--------|----------------------------------|
| \$100,000 / \$300,000       | .52    |                                  |
| \$250,000 / \$500,000       | .67    | *Shared Limit of Liability       |
| \$500,000 / \$500,000       | .83    | **Higher limits will be offered  |
| \$1,000,000 / \$1,000,000   | .91    | in Virginia to comply with state |
| \$1,000,000 / \$3,000,000   | 1.00   | requirements                     |
| \$2,000,000 / \$4,000,000** | 1.37   |                                  |

### 1. Prior Acts Factors for Individual Policies by Occupation Grouping:

| Group # | 1      | 2    | 3<br>NBCC |
|---------|--------|------|-----------|
| Year    | Factor |      |           |
| 1       | 1.00   | 1.00 | 1.00      |
| 2       | 1.14   | 1.14 | 1.00      |
| 3       | 1.26   | 1.19 | 1.00      |
| 4+      | 1.37   | 1.19 | 1.00      |

Prior Acts Factors for Group Policies:

| Year | Factor |
|------|--------|
| 1    | 1.00   |
| 2    | 1.14   |
| 3    | 1.26   |
| 4+   | 1.37   |

2. Risk Management credit of 10% will be given to those individuals who complete 4 hours or more of continuing education for Risk Management, Ethic or Legal or who obtained a secondary certification or licensure relevant to their profession within the past 12 months. Evidence of completion must be faxed in to receive the credit.

5. State

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

6. Multiple Locations:

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

7. Individual Risk Modifier:

| Characteristic        | Factor      |
|-----------------------|-------------|
| Type of clients       | 1.25 to .75 |
| Business Experience   | 1.25 to .75 |
| Supervision of staff  | 1.25 to .75 |
| Quality of Management | 1.25 to .75 |
| Total                 | 2.00 to .75 |

8. Claims Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to Claims paid or reserved in the last 5 years</b> | <b>1.00 to 2.50</b> |

9. Disciplinary Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to 2 or more Disciplinary Investigations or Adverse Disciplinary Rulings in the last 5 years</b> | <b>1.00 to 2.50</b> |

10. Gross Revenue Modifier

| Rule   | Factor              |
|--|---------------------|
| <b>Yes to annual gross revenue exceeds \$1,500,000</b> | <b>1.00 to 1.50</b> |

11. Military Veteran Credit – ISSA only

| Rule | Factor |
|------|--------|
|------|--------|

|  |                    |
|--|--------------------|
| <b>ISSA - Yes to Military Veteran qualifies for one-time 10% discount; No will default to 1.00<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.90 to 1.00</b> |
|--|--------------------|

12. ISSA Specialty Level Factor

| <b>Rule</b>   | <b>Factor</b>      |
|---|--------------------|
| <b>ISSA – “Elite” status qualifies for 10% credit;<br/>“Masters” status qualifies for 12.5% credit;<br/>“Associate Degree via ISSA” qualifies for 15% credit; No special status will default to 1.00.<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.85 to 1.00</b> |



**C. BASE RATE BY OCCUPATION**

| Group 1                                    |           | Group 2  |           | Group 3   |           |
|--|-----------|--|-----------|---|-----------|
| Occupation                                 | Base Rate | Occupation   | Base Rate | Occupation  | Base Rate |
| Acupressurist                              | 220       | Adaptive Fitness Specialist                            | 127       | Massage Envy Massage Therapist – Part-Time                      | 67        |
| Art Therapist                              | 78        | Aerobics Instructor                                    | 127       | Massage Envy Massage Therapist – Full Time                      | 90        |
| Art Therapy Assistant                      | 78        | Athletic Trainer                                       | 127       | Massage Envy Aesthetician                                       | 175       |
| Art, Music, Dance, Recreational Therapists | 78        | BCC Career Coach                                       | 88        | NBCC Art Therapist  | 78        |
| Audiologist                                | 45        | BCC Executive Coach                                    | 88        | NBCC Art Therapist Assistant                                    | 78        |
| BANA Biofeedback Coach                     | 193       | BCC Health/Wellness Coach                              | 88        | NBCC Art, Music, Dance, Recreational Therapists                 | 78        |
| Bioethicist                                | 340       | BCC Life Coach   | 88        | NBCC Career Counselor   | 102       |
| Biofeedback Provider                       | 193       | BCC Personal Coach                                     | 88        | NBCC Case Worker/Manager  | 125       |
| CHCEA Homeopath Coach                      | 101       | Career Counselor                                       | 112       | NBCC Certified Marriage & Family Therapist                      | 102       |
| CMAA Massage Therapist                     | 120       | Case Worker/Manager                                    | 180       | NBCC College Admissions Counselor                               | 102       |
| College Admissions Counselor               | 101       | Certified Fitness Trainer                              | 127       | NBCC Counselor Educator   | 102       |
| Counselor Educator                         | 101       | Certified Marriage & Family Therapist                  | 102       | NBCC Dance Therapist  | 78        |
| Dance Therapist                            | 78        | CPR Trainer  | 70        | NBCC Dance Therapist Assistant                                  | 78        |
| Dance Therapy Assistant                    | 78        | CMAA Aerobics, Pilates, Yoga Instructor                | 127       | NBCC Drug & Alcohol Counselor                                   | 102       |
| Dietitian                                  | 51        | CMAA Athletic, Fitness, Golf Fitness, Personal Trainer | 127       | NBCC Licensed/Certified Professional Counselor                  | 102       |
| HCANA Relaxation Therapist                 | 68        | Dental Assistant                                       | 63        | NBCC Mental Health Counselor                                    | 102       |
| Histologic Technician                      | 62        | Dental Hygienist                                       | 63        | NBCC Music Therapist  | 78        |
| Hypnotherapist (non-entertainment)         | 131       | Endurance Fitness Trainer                              | 127       | NBCC Music Therapy Assistant                                    | 78        |
| LED Therapy                                | 68        | Executive Coach  | 88        | NBCC Occupational Therapist                                     | 75        |
| Massage Therapist                          | 120       | Fitness Therapist                                      | 127       | NBCC Occupational Therapy Assistant                             | 75        |
| Medical Dosimetrist                        | 193       | Fitness Therapy Assistant                              | 127       | NBCC Pastoral Counselor   | 102       |
| Medical Lab Technician                     | 62        | Golf Fitness Trainer                                   | 127       | NBCC Pastoral Counselor Assistant                               | 102       |
| Medical Technologist                       | 62        | HCANA Health Coach                                     | 88        | NBCC Patient Intake Technician                                  | 125       |
| Music Therapist                            | 78        | HCANA Light Therapist                                  | 88        | NBCC Recreational Therapist                                     | 78        |
| Music Therapy Assistant                    | 78        | Health & Safety Educator                               | 70        | NBCC Rehabilitation - Counselor/Therapist/Consultant            | 102       |
| NTANA Hypnotherapist                       | 131       | Holistic Fitness Trainer                               | 127       | NBCC Rehabilitation Counselor (including wage/loss projections) | 102       |

| Group 1                        |           | Group 2                       |           | Group 3                             |           |
|--------------------------------|-----------|-------------------------------|-----------|-------------------------------------|-----------|
| Occupation                     | Base Rate | Occupation                    | Base Rate | Occupation                          | Base Rate |
| NTANA Reflexology/Accupressure | 220       | Independent Living Instructor | 180       | NBCC Recreational Therapy Assistant | 78        |

|  |     |  |             |                                      |     |
|--|-----|--|-------------|--------------------------------------|-----|
| Coach  |     |  |             |                                      |     |
| NTANA Sound Therapist                        | 89  | ISSA - Adaptive Fitness Specialist<br>*First written<br>xx/xx/xxxx or later                              | 127<br>178* | NBCC School Counselor                | 102 |
| Occupational Therapist                       | 193 | ISSA - Aerobic Instructor<br>*First written<br>xx/xx/xxxx or later                                       | 127<br>178* | NBCC Social Worker                   | 102 |
| Occupational Therapy Assistant               | 193 | ISSA - Athletic Trainer<br>*First written<br>xx/xx/xxxx or later   | 127<br>178* | NBCC Wellness Counselor              | 125 |
| Optician                                     | 220 | ISSA - Certified Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Certified Pilates Instructor     | 110 |
| Optician Assistant                           | 193 | ISSA - Certified Personal Trainer<br>*First written<br>xx/xx/xxxx or later                               | 127<br>178* | PMA Non-Certified Pilates Instructor | 130 |
| Patient Intake Technician                    | 120 | ISSA - Endurance Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Student                          | 18  |
| Pharmacist                                   | 339 | ISSA - Fitness Therapy Assistant<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* |                                      |     |
| Pharmacy Assistant/Technician                | 84  | ISSA - Fitness Therapist<br>*First written<br>xx/xx/xxxx or later  | 127<br>178* |                                      |     |
| Phlebotomy Technician                        | 62  | ISSA - Golf Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                     | 127<br>178* |                                      |     |
| Physical Therapist – Employed                | 114 |  |             |                                      |     |
| Physical Therapist – Self Employed Full Time | 255 | ISSA - Holistic Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                 | 127<br>178* |                                      |     |
| Physical Therapist – Self Employed Part Time | 188 |  |             |                                      |     |
| Physical Therapy Assistant                   | 49  | ISSA - Martial Arts Conditioning Specialist no physical contact<br>*First written<br>xx/xx/xxxx or later | 127<br>178* |                                      |     |
| Psychological Assistant/Associate            | 339 |  |             |                                      |     |

| Group 1   |           | Group 2  |             | Group 3    |           |
|---|-----------|--|-------------|------------|-----------|
| Occupation  | Base Rate | Occupation   | Base Rate   | Occupation | Base Rate |
| Radiation Therapist   | 220       | ISSA - Martial Arts Conditioning Specialist with physical contact        | 175         |            |           |
| Radiological Technologist   | 193       | ISSA - Older Adult Fitness Trainer<br>*First written xx/xx/xxxx or later | 175<br>178* |            |           |
| Recreational Therapy Assistant  | 78        | ISSA Pilates Instructor  | 127         |            |           |
| Reflexologist   | 220       | ISSA - Water Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Counselor/Therapist/Consultant   | 220       | ISSA - Yoga Instructor   | 127         |            |           |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) | 340       | ISSA - Youth Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Engineer   | 220       | Job Coach/Job Developer/Job Trainer                                      | 88          |            |           |
| Rehabilitation Therapist Assistant  | 53        | Licensed/Certified Professional Counselor                                | 117         |            |           |
| Reiki Practitioner  | 68        | Life Coach   | 88          |            |           |
| Respiratory Therapist   | 53        | Martial Arts Conditioning Specialist no physical contact                 | 127         |            |           |
| Respiratory Therapist Assistant   | 53        | Martial Arts Conditioning Specialist with physical contact               | 175         |            |           |
| School Counselor  | 101       | NHMEA Health Coach   | 88          |            |           |
| Speech Pathologist  | 45        | NHMEA Nutrition Coach  | 61          |            |           |
| Speech Therapist  | 50        | NHMEA Nutritionist   | 61          |            |           |
| Vocational Evaluator  | 220       | NTANA Stress Mgt Coach   | 88          |            |           |
| Work Adjustment Specialist  | 220       | Nutritionist   | 61          |            |           |
| Work Hardening/Functional Capacity/Assessment   | 220       | Older Adult Fitness Trainer  | 175<br>119  |            |           |
|   |           | Pastoral Counselor   |             |            |           |
|   |           | Pastoral Counseling Assistant  | 119         |            |           |
|   |           | Performance Nutrition Specialist   | 61          |            |           |

| Group 1    |           | Group 2        |           | Group 3    |           |
|------------|-----------|----------------|-----------|------------|-----------|
| Occupation | Base Rate | Occupation     | Base Rate | Occupation | Base Rate |
|            |           | Personal Coach | 88        |            |           |

|          |              |                       |     |  |  |
|----------|--------------|-----------------------|-----|--|--|
|          |              | Pilates Instructor    | 127 |  |  |
| <b>D</b> |              | Social Worker         | 112 |  |  |
|          |              | Transition Specialist | 179 |  |  |
|          | <b>O</b>     | Triathlon Coach       | 175 |  |  |
|          | <b>P</b>     | Water Fitness Trainer | 127 |  |  |
|          | <b>T</b>     | Wellness Counselor    | 175 |  |  |
|          | <b>I</b>     | Yoga Instructor       | 127 |  |  |
|          | <b>O</b>     | Youth Fitness Trainer | 127 |  |  |
|          | <b>N</b>     |                       |     |  |  |
|          | <b>A</b>     |                       |     |  |  |
|          | <b>L COV</b> |                       |     |  |  |

#### D. OPTIONAL COVERAGE & FEE CALCULATIONS

- 1. Additional Insured Calculation: for Groups:** \_\_\_\_\_ # of additional insureds X 5% of the **Total Premium Rounded**, also rounded to the nearest dollar, subject to a \$250 each minimum charge for groups. **For Self-Employed Individuals:** a 1% surcharge will apply to all Self-Employed Individual policies.
- 2. Terrorism Calculation:** included at no additional charge in the premium quoted.
- 3. Association Membership Fee due annually:**  
 $6\% \times (\text{Total Premium Rounded} + \text{Optional Coverages}) = \text{Final Premium plus fees Rounded.}$

#### E. MINIMUM DEDUCTIBLES

The following minimum deductibles apply per occupation as stated:

**\$2,500 minimum deductible:** Athletic Trainer, Bioethicists, Martial Arts Conditioning (with contact),  
 Massage Therapists, NBCC Rehabilitation Counselor (Including Wage/Loss Projections),  
 Physical Therapist, Psychological Assistant/Associate, Reiki Practitioner, Employed Pharmacist  
 Rehabilitation Counselor (Including Wage/Loss Projections).

**\$1,000 Minimum Deductible: All Others**

#### F. ROUNDING RULE

The dollar amount for **Total Premium** or each optional exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- Any amount involving \$.50 or over will be rounded up to the next highest whole dollar.
- Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

#### G. ADDITIONAL PREMIUM

- Pro-rate all changes requiring additional premium other than cancellation requested by insured which will then be calculated on a short rate basis subject to a 10% penalty.
- Additional premiums will be calculated based upon the rates and rules that are in effect as of the policy effective date.

#### H. RETURN PREMIUMS

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium based upon the rates used at policy inception.
3. Compute return premium pro-rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance is reduced. When cancellation of an entire policy is requested by the Insured, return premium will be the customary short-rate. The only exception to that is if a policy is cancelled for non-payment of premium, the return premium will be calculated according to the customary pro-rata cancellation.

## Section 10: Audits

1. Lockton Affinity will conduct semi-annual self-audits to assure that program guidelines are being followed. There will be a minimum of 20 files per year audited.
2. The audit will follow our standard QAP process and review:
  - a. Underwriting
  - b. Regulatory Compliance
  - c. Assessment of Timeliness
  - d. Compliance with documented file requirements
  - e. Compliance with documented Underwriting Guidelines
3. Copies of audit reports are to be retained in-house by the Senior Underwriter for review by Underwriters at any time.

### Professional Liability Audit Worksheet

Product Line:                      Program:                      Insured Name:  
 Velocity #                      Eff Date                      Audit Date:                      Audited By:

| <b>Underwriting</b>   | Yes | No | <b>QAP QUESTION</b>                      | Comments |
|---|-----|----|--|----------|
| Application information is currently dated and sufficient to provide risk details?      |     |    | Application                              |          |
| Submission is acceptable as prescribed by program guidelines?                           |     |    | Underwriting Guidelines                  |          |
| Submission is within Lockton authority or properly referred to carrier?                 |     |    | Underwriting Guidelines                  |          |
| Additional information pursued if needed and documented                                 |     |    | Documentation                            |          |
| Coverage bound within program parameters?   |     |    | Underwriting Guidelines                  |          |
| Pricing within rating guidelines and Lockton Authority or properly referred to carrier? |     |    | Rating – Pricing Guidelines              |          |
| Prior acts coverage dates appropriate?  |     |    | Policy Issuance                          |          |
| Acceptable rating factors used and documented   |     |    | Rating – Rating & Documentation          |          |
| Carrier system properly loaded & documented   |     |    | Documentation, Policy Issuance or Rating |          |
| <b>Processing</b>   |     |    |  |          |
| Quote delivered timely  |     |    | Proposals                                |          |
| Quote complete, clear and concise   |     |    | Proposals                                |          |
| RTB processed within 48 hours   |     |    | Binding – Request to Bind                |          |
| Policy delivered within program time frames   |     |    | Policy Issuance                          |          |
| Policy detail loaded accurately on Velocity   |     |    | Velocity – Detail Set                    |          |
| Dec page matches RTB and quoted terms   |     |    | Policy Issuance                          |          |
| Policy, Rating worksheet, underwriting  |     |    | Documentation                            |          |

|  |  |  |  |
|--|--|--|--|
| notes and all relevant application documents attached to Velocity  |  |  |  |
| Loss run in Velocity if applicable   |  |  | Loss Information   |
| Carrier approval in Velocity if applicable   |  |  | Referral – External Company                              |
| Endorsements – were they completed correctly?  |  |  | Endorsements   |
| Non-Renewals and Cancellations Regulatory Requirements were met. (correct # days, acceptable reasons     |  |  | Non-Renewals and Cancellations – Regulatory Requirements |
| Non-Renewals and Cancellations Procedures were followed. (referrals and approvals, correct reason codes) |  |  | Non-Renewals and Cancellations - Procedures              |

## Section 754.EXHIBIT A

## Summary Sheet (Form RF-3)

## FORM (RF-3) SUMMARY

## SHEET

Change in Company's premium or rate level produced by rate revision effective 01/08/2014.

|     | (1)<br>Coverage   | (2)<br>Annual Premium<br>Volume (Illinois)* | (3)<br>Percent<br>Change (+or-) ** |
|-----|---|---|------------------------------------|
| 1.  | Automobile Liability Private<br>Passenger                 |   |                                    |
|     | Commercial  |   |                                    |
| 2.  | Automobile Physical Damag Private<br>Passenger Commercial |   |                                    |
| 3.  | Liability Other Than Auto                                 |   |                                    |
| 4.  | Burglary and Theft  |   |                                    |
| 5.  | Glass   |   |                                    |
| 6.  | Fidelity  |   |                                    |
| 7.  | Surety  |   |                                    |
| 8.  | Boiler and Machinery                                      |   |                                    |
| 9.  | Fire  |   |                                    |
| 10. | Extended Coverage   |   |                                    |
| 11. | Inland Marine   |   |                                    |
| 12. | Homeowners  |   |                                    |
| 13. | Commercial Multi-Peril                                    |   |                                    |
| 14. | Crop Hail   |   |                                    |
| 15. | Other _Medical Malpractice____<br>Line of Insurance       | 142,061                                     | 12.26%                             |

Does filing only apply to certain territory (territories) or certain Classes? If so,  
specify: No

Brief description of filing. (If filing follows rates of an advisory Organization, specify  
organization):

We are filing to increase base rates for physiotherapists and physiotherapist aides by 17%

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new rates.

Beazley Furlonge Ltd on behalf of Lloyd's

syndicates 623/2623

Name of Company

Simon Brickman, Pricing Actuary

Official—Title



|                             |  |                          |                                 |                            |                |
|-----------------------------|--|--------------------------|---------------------------------|----------------------------|----------------|
| <b>SERFF Tracking #:</b>    | LLIL-129364866   | <b>State Tracking #:</b> |                                 | <b>Company Tracking #:</b> | LII0482010814R |
| <b>State:</b>               | Illinois   | <b>Filing Company:</b>   | Underwriters at Lloyd's, London |                            |                |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                          |                                 |                            |                |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                          |                                 |                            |                |
| <b>Project Name/Number:</b> | /LII0482010814R  |                          |                                 |                            |                |

## Supporting Document Schedules

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Explanatory Memorandum                 |
| <b>Comments:</b>         | Please see the attached filing letter. |
| <b>Attachment(s):</b>    | LII 482 Filing Letter January 2013.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |                            |
|-------------------------|----------------------------|
| <b>Bypassed - Item:</b> | Form RF3 - (Summary Sheet) |
| <b>Bypass Reason:</b>   | N/A                        |
| <b>Attachment(s):</b>   |                            |
| <b>Item Status:</b>     |                            |
| <b>Status Date:</b>     |                            |

|                          |   |
|--------------------------|---|
| <b>Satisfied - Item:</b> | Certification   |
| <b>Comments:</b>         | Please see the attached letter from the actuary at Beazley Syndicate. |
| <b>Attachment(s):</b>    | LII 482 Rate Filing actuarial letter with attachment.pdf              |
| <b>Item Status:</b>      |   |
| <b>Status Date:</b>      |   |

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Manual   |
| <b>Comments:</b>         | Attached is the rate manual. Bear in mind that there are professions within the manual that are strictly subject to professional liability coverage; i.e., do not fall under the medical malpractice classification. |
| <b>Attachment(s):</b>    | Rates.pdf  |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |  |
|-------------------------|--|
| <b>Bypassed - Item:</b> | Request to Maintain Data as Trade Secret Information           |
| <b>Bypass Reason:</b>   | There is no trade secret information contained in this filing. |
| <b>Attachment(s):</b>   |  |
| <b>Item Status:</b>     |  |
| <b>Status Date:</b>     |  |

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Rates with changes highlighted           |
| <b>Comments:</b>         | 'Redline' version of the rates attached. |
| <b>Attachment(s):</b>    | Rates.pdf                                |
| <b>Item Status:</b>      |  |

|                             |  |                        |                                 |
|-----------------------------|--|------------------------|---------------------------------|
| <b>State:</b>               | Illinois   | <b>Filing Company:</b> | Underwriters at Lloyd's, London |
| <b>TOI/Sub-TOI:</b>         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                        |                                 |
| <b>Product Name:</b>        | Medical Professional Liability Rate Filing                         |                        |                                 |
| <b>Project Name/Number:</b> | /LII0482010814R  |                        |                                 |

|                          |   |
|--------------------------|---|
| <b>Status Date:</b>      |   |
| <b>Satisfied - Item:</b> | Supplemental document   |
| <b>Comments:</b>         | Attached is the document that I previously submitted on Janaury 21, 2014. |
| <b>Attachment(s):</b>    | <a href="#">viewScheduleItemAttachment.pdf</a>                            |
| <b>Item Status:</b>      |   |
| <b>Status Date:</b>      |   |

January 8, 2014

Mr. Andrew Boron, Director  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, Illinois 62767-0001

Attn: Property and Casualty Compliance Unit

Re: Underwriters at Lloyd's, London  
FEIN Number : 36-1404320  
Filing Number : LII0482010814R  
Classification : Rate filing for the forms filing submitted on January 8, 2014 under Company  
Tracking Number LII0482080813JD, SERFF Tracking Number LLIL-  
129152722

Effective Date: Immediately

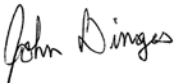
Dear Mr. Boron:

In accordance with Section 215 ILCS 5/155.18 of the Illinois Insurance Code, we submit the enclosed rate filing as referenced above for your review and consideration.

The enclosed rate filing is in conjunction with the forms filing that was submitted by our office earlier today under Company Tracking Number LII0482010814JD, SERFF Tracking Number LLIL-129146998. Enclosed is a comprehensive rating manual, as well as a letter from the actuary at Beazley Syndicate, who are a Syndicate at Lloyd's.

Please review this filing and advise me of your decision. Contact me with any questions you may have.

Sincerely,



John Dinges, CPCU, ARM, ARe  
Assistant Manager, Compliance  
Lloyd's Illinois, Inc.  
for Underwriters at Lloyd's, London  
Telephone (312) 407- 6210  
Email john.dinges@lloyds.com

14 October 2013

Beazley Group

Plantation Place South  
60 Great Tower Street  
London EC3R 5AD

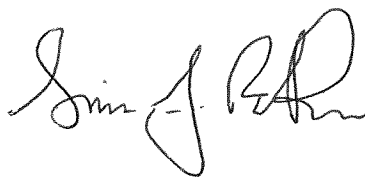
Phone +44 (0)20 7667 0623  
Fax +44 (0)20 7674 7100

info@beazley.ie  
www.beazley.com

**Medical Malpractice Rates – Lockton Affinity Program**

I have reviewed the experience of the Program (see attached). I have also compared the experience with the latest available ISO data.

The overall performance is in line with the premiums charged with the exception of physical therapists. This class experienced an exceptional number of 3 large claims from 13 cases. In addition the ISO loss costs also suggest premium rates need to be raised. However in view of the small volume it is also worth checking against the marketplace, which confirms an increase of 17% for self-employed physical therapists would be appropriate to raise the level to our competitors, whilst not overreacting to our small volume.



Simon Brickman, FIA  
Pricing Actuary  
Specialty Lines

| Occupation                                    | In Force<br>Policy Count | Claims<br>Incurred<br>(2008-11) | Claim<br>Count<br>(2008-11) | Loss<br>Cost | Total<br>Gross<br>Premium | Gross<br>Average<br>Premium | Net<br>Average<br>Premium | National<br>Loss Cost | Illinois<br>Loss Cost | Comments       |
|---|--------------------------|---------------------------------|-----------------------------|--------------|---------------------------|-----------------------------|---------------------------|-----------------------|-----------------------|----------------|
| Dental Hygienist                              | 79                       |                                 |                             |              | \$6,411                   | \$81                        | \$57                      | \$149                 | \$110                 |                |
| Dental Hygienist - student                    | 6                        |                                 |                             |              | \$130                     | \$22                        | \$15                      |                       |                       |                |
| Rehabilitation Counselor                      | 1                        |                                 |                             |              | \$2,122                   | \$2,122                     | \$1,485                   |                       |                       |                |
| NBCC Occupational Therapy Assistant           | 1                        |                                 |                             | \$5          | \$70                      | \$70                        | \$49                      | \$37                  | \$28                  |                |
| NBCC Occupational Therapy Assistant - student | 6                        |                                 |                             |              | \$136                     | \$23                        | \$16                      |                       |                       |                |
| Occupational Therapist                        | 22                       | \$2,036                         | 1                           |              | \$8,713                   | \$396                       | \$277                     |                       |                       |                |
| Occupational Therapist - student              | 5                        |                                 |                             |              | \$110                     | \$22                        | \$15                      |                       |                       |                |
| Occupational Therapy Assistant                | 3                        |                                 |                             |              | \$815                     | \$272                       | \$190                     |                       |                       |                |
| Occupational Therapy Assistant - student      | 56                       |                                 |                             |              | \$1,373                   | \$25                        | \$17                      |                       |                       |                |
| Physical Therapy Assistant                    | 93                       |                                 |                             | \$355        | \$7,732                   | \$83                        | \$58                      | \$413                 | \$556                 | 3 large losses |
| Physical Therapy Assistant - student          | 37                       |                                 |                             |              | \$678                     | \$18                        | \$13                      |                       |                       | each excess    |
| Physical Therapist                            | 438                      | \$870,076                       | 13                          |              | \$93,199                  | \$213                       | \$149                     |                       |                       | \$200k         |
| Student - Physical Therapist                  | 44                       |                                 |                             |              | \$871                     | \$20                        | \$14                      |                       |                       |                |
| Pharmacy Assistant/Technician                 | 20                       |                                 |                             | \$7          | \$1,702                   | \$85                        | \$60                      | \$197                 | \$167                 |                |
| Pharmacy Assistant/Technician - student       | 62                       |                                 |                             |              | \$1,140                   | \$18                        | \$13                      |                       |                       |                |
| Pharmacist                                    | 21                       | \$3,065                         | 1                           |              | \$12,318                  | \$587                       | \$411                     |                       |                       |                |
| Student - Pharmacist                          | 4                        |                                 |                             |              | \$85                      | \$21                        | \$15                      |                       |                       |                |
| Psychological Assistant/Associate             | 9                        | \$7,935                         | 1                           | \$117        | \$4,303                   | \$478                       | \$335                     |                       |                       |                |
| Student - Psychological Assistant/Associate   | 8                        |                                 |                             |              | \$153                     | \$19                        | \$13                      |                       |                       |                |
|   | 915                      | \$883,112                       | 16                          | \$241        | \$142,061                 | \$155                       | \$109                     | \$323                 | \$412                 |                |
| Net/Gross Premium Ratio                       | 0.7                      |                                 |                             |              |                           |                             |                           |                       |                       |                |

Note the figures shown under(Beazley) Loss Cost are for the group identified by the shading. ISO Loss Costs also is only for the shaded group.

## **COVERAGE**

### **A. Coverage Parts and Limits of Liability**

- Professional Liability up to \$2,000,000/\$4,000,000. Supplemental coverages listed below pay in addition to the limit. The policy is subject to one combined limit of liability for all coverage features for the policy period. Defense costs reduce that limit of liability.
- Modified General Liability( no products or completed operations) including property damage to property of others and Advertising Liability(shares professional limit);
- Fire/Water Damage Legal Liability- \$100,000 per claim and in the aggregate;
- Medical Expense Coverage in the amount of \$2000 Each Person and \$50,000 in the aggregate;
- Supplementary Payments:
  - Insured's Loss of Earnings for attendance at arbitration, trial or mediation in the amount of \$500 per day subject to a maximum of \$10,000 per claim.
  - Deposition Fees and Expenses in the amount of \$5000 each Deposition and \$25,000 in the policy aggregate;
  - Damage to the property of others in the care, custody or control of the Insured in the amount of \$500 each Accident and \$5,000 in the Aggregate;
  - Licensing Board Investigation Coverage in the amount of \$5,000 per incident and \$10,000 for all incidents per policy period.
  - Sexual Abuse Defense limit of \$2,500 per claim and \$5,000 in the aggregate. Higher limits for this coverage part may be offered as agreed by Underwriters.

### **B. Claims Made Coverage**

1. Professional Liability on a claims made basis with retro date inception for uninsured applicants or applicants previously insured on an occurrence basis. Prior acts coverage for applicants previously continuously insured on a claims made basis with a verified prior acts date may be submitted to the Senior Underwriter for consideration of matching the expiring company's prior acts date.
2. General Liability offered on a claims made basis and defined as, personal injury, property damage or advertising liability under the Miscellaneous Medical Professional Liability and General Liability Policy form FO 0271 03/2012 modified by endorsement to exclude products and completed operations coverage. The program will move off of the AIF 2610 form in Summer, 2013 and was previously occurrence coverage. When converting existing policyholders from the AIF 2310 policy form to the Miscellaneous Medical Professional Liability and General Liability Policy form FO 0271 03/2012, the professional liability coverage and the modified General Liability coverage will be subject to the same prior acts retroactive date.

### **C. OPTIONAL COVERAGES**

1. Additional Named Insured (Corporations/Partnerships):  
Coverage can be added free of charge for the professional corporation that is owned or controlled by a single insured on an Individual policy provided the entity has no other owners or employees. If there are other owners or employees, a group policy will need to be applied for.
2. Additional Insureds:  
Coverage can be added for third parties vicarious liability as a result of the Named Insured's actions. Employed individuals and students are not eligible for Additional

Insured Coverage. For self employed individuals, there is no additional premium due for this as there is a 1% charge built into the rating. Groups will be subject to a 5% surcharge against the total policy premium before fees and terrorism premium are added for each additional insured. In addition, Groups are subject to a minimum premium of \$250 for each Additional Insured.

3. Independent Contractors:

1099 Independent contractors may be added to a policy via endorsement # BSLMT06580207 AMEND INSURED TO INCLUDE INDEPENDENT CONTRACTOR for the appropriate full time or part time employee rate (pro-rated as necessary). To qualify independent contractor may not have separate professional liability insurance and be working on behalf of the Named Insured.

4. Terrorism Coverage:

With the conversion of the program to Velocity from PS On Line, Terrorism coverage is included in the quoted premium and applies to both the Professional Liability coverage and the General Liability coverage sections of the policy. Standard Lloyds Terrorism endorsements are used and supplied by Lloyds Illinois and reviewed annually for compliance purposes.

## D. DEFINITIONS

**Allied Health Professional** means the occupation described in an application for this insurance or by addendum, and approved by Underwriters, and does not include services as a physician, surgeon, dentist, osteopath, podiatrist, orthodontist, chiropractor, psychiatrist, psychologist, pharmacist, EMT, podiatrist, nurse, nurse practitioner, midwife, engineer, engineering consultant; safety inspector, jobsite safety trainer or consultant, environmental inspector or consultant. There is no '*Named Occupation*' listed in the Declarations page, so previously covered occupations and new occupations that may be disclosed and approved by Underwriters during the policy period or prior policy periods are automatically covered. It is necessary to specifically exclude by endorsement any undesirable occupation disclosed in the application process or during the policy period.

**Additional Insured:**

Provides vicarious liability coverage for both professional liability and general liability coverage provisions on a blanket basis via standard language displayed in the program's certificate of insurance and included in the policy wording in the definition of Insured: F.

- (f) An **Additional Insured**, but only as respects the vicarious liability of such individual or entity:
- for **Bodily Injury** caused by negligent acts, errors or omissions of the **Insured** otherwise covered under Insuring Agreement I.A.1 Professional Services Liability of this policy.
  - For **Personal Injury, Property Damage** or **Advertising Liability** caused by an **Accident** otherwise covered by Insuring Agreement I.A.2, General Liability of this policy.
  - For **Property Damage** arising out of any one fire or any one **Water Damage** as covered by Insuring Agreement I.A.3, Fire and Water Damage Legal Liability of this policy.

Policyholders can produce a certificate of insurance naming an additional insured from the program's website. Those applications naming additional insureds will be underwritten for a valid insurable interest. The website will not allow *employed individuals or students* to produce a certificate with this additional insured coverage referenced unless specifically agreed to for a specific sponsoring association. The programs additional insured premium calculation will include a charge against all self-employed individual policies of 1% of the annual premium for this additional blanket coverage feature. Groups will be charged a 5% debit for the exposure, subject to a minimum premium of \$250 for each additional insured. The additional charge may be waived for certain insureds or class of business as agreed to by Underwriters.

**Association, Partnership, Group or Corporation Coverage**

Applies to the business entity named on the declarations page. The coverage is free of charge for 100% applicant owned entities under which the applicant performs the intended professional services.

**Claim**

A demand for money or services or a filing of suit. **Claim** also includes notice of an incident that could give rise to a claim in the future.

**Claims-Made**

Coverage trigger which requires that the claim or incident be made while the policy is in force and for services or accidents that took place after the policy's retroactive date.

**Employed**

An individual who works as an employee, regardless of the number of hours worked, and receives benefits as are legally required (i.e., workers compensation, state disability, etc.)

**Extended Reporting Period**

Refers to the optional coverage commonly referred to as "tail" coverage which extends the period of time for which to report claims against an expired policy arising from acts occurring after the policy's prior acts retro active date for either 12 months, 24 months, or 36 months at 100%, 150% or 200% respectively of the policy's last annual premium. The ERP does not extend the policy period nor does it reinstate the limit of liability nor waive the deductible.

**Full-Time**

An individual who works 25 hours or more per week.

**Independent Contractor**

An individual who works for themselves and contracts their services to another individual or business. They do not receive benefits ordinarily provided to an employee.

**Individual Coverage**

Applies to the individual person named on the Declarations Page as the "Insured". The individual is generally a solo individual covered under a policy for employed professionals, students or self-employed professionals.

**Licensing Board Complaint**

An investigation by a Regulatory body, peer review board or any other proceeding to which the Insured is required to submit, that pertains to their qualifications to practice as an allied health professional.

**Licensure:**

A condition of the coverage afforded under the Policy that the facilities of the **Named Insured** and any individual **Insured** is required to be licensed in accordance with all relevant federal, state and local requirements at the time professional services are rendered. The **Named Insured** warrants that all relevant licenses pertaining to this insurance have been in the past and are currently valid. This provision does not apply to an allied health student or a unlicensed or uncertified **Allied Health Professional** who is under the direct supervision of a physician, nurse or other licensed or certified Allied Health Professional, or a teacher, or who is employed at a hospital, or other licensed health care provider.

**Part-Time**

An individual who works less than 25 hours per week.

**Predecessor Firm**

To provide for prior acts coverage by endorsement should the Named Insured entity ownership or name change slightly but the make up of the insured entity remain substantially the same. This makes it unnecessary for the formerly insured entity to "*tail out*" the policy for the former insured and also purchasing a new Retro Date Inception (RDI) policy to be written for the new entity which is recognized as the successor entity to the former Named Insured.

**Prior Acts**

Under a claims-made policy, retroactive coverage that provides insurance for claims arising from incidents that occurred while a previous claims-made policy or policies were in effect, but that were not reported until that policy (or the last in a succession of policies) was terminated



**Professional Services**

Means those services for which an **Allied Health Professional** is required to be licensed, certified or trained and qualified to perform at the time such services were rendered. **Professional services** include services as an educator or as a member of a formal accreditation, standards review, or similar professional board or committee.

**Regulatory Investigation**

Same as Licensing Board Complaint: An investigation by a Regulatory body, peer review board or any other proceeding to which the Insured is required to submit, that pertains to their qualifications to practice the profession applied for in the application.

**Retro-Active Date**

The date stipulated in a claims-made liability policy declarations as the date where after acts must have occurred in order to trigger coverage under a claims made policy. The retroactive date is designed to provide coverage for claims resulting from incidents that take place prior to the current policy term. Claims-made policies usually have a retroactive date of the first policy issued to the insured under the program and continually renewed. When coverage is not continuous, the prior acts retroactive date is *advanced* or moved up to a current effective date resulting in what is known as a *gap in coverage*.

**Self-Employed**

An individual who is an independent contractor or who owns and operates their own practice, either part-time or full-time. Individuals who are both employed and self-employed are considered to be self-employed for rating purposes.

**CANCELLATION / NON-RENEWAL**

1. Cancellation notification will comply with regulations in the State of Illinois and cancellation provisions within the policy form, as per the filed Risk Purchasing Group.
2. Direct notices of cancellation are to be issued in accordance with Illinois state law.
3. Notification must be sent to the Insured at the address last known by the company.
4. Cancellation will be evidenced by a cancellation endorsement. The original will be sent to the insured and a copy will be attached to the insured's Velocity file.
5. If an insured requests cancellation, the request must be received in writing prior to the requested effective date. The insured may also effect cancellation by returning the original policy, or submitting a signed cancellation letter. An Extended Reporting Period will be offered if the insured has had a prior term policy with us. The insured only has sixty (60) days to exercise their option to purchase the ERP. Flat cancellations are not permitted unless requested in writing prior to the inception date of the policy or if approved due to extenuating circumstances by the Senior Underwriter.
6. If a request to cancel mid-term is received after the requested cancellation date, a written reason for the delay is required and may be denied. The insured only has sixty (60) days to exercise the option to purchase an Extended Reporting Period. The 35% minimum earned premium requirement is eliminated with policy form FO 0271 03/2012
7. If we cancel a policy for non-payment of premium, the return premium will be calculated on a prorated basis and notification will allow at least 10 days notice to the named insured. The option to purchase a tail (or Extended Reporting Period) is not available if a policy is cancelled for non-payment of premium.
8. An Extended Reporting Period is available in the event of cancellation or non-renewal for any reason except non-payment of premium. The historical approach for this

program via the AIF 2610 policy offered a one (1) year or 12 month tail at 100% of the expiring annual premium. Underwriters are currently offering a 1, 2, or 3 year extended reporting period option at 100%, 150% and 200% of the expiring policy premium and continue to allow election subject to premium payment within 60 days of the termination date of the policy.

## UNDERWRITING

### A. Acceptable to Write

1. Applicant is licensed or certified or otherwise qualified in the classes of Allied Healthcare Professions as defined.
2. Is a student in one of the acceptable classes.
3. Is a member in good standing of a sponsored association.
4. Does not have any paid losses, or more than three unfounded claims or alleged wrongdoings.
5. If self-employed, has at least one year of work experience or equivalent education, supervised training or life experiences.

### B. Eligible Allied Health Care Professions by Rating Group

#### Group 1 - Area of Specialty

|  |
|--|
| Acupressurist                              |
| Art Therapist                              |
| Art Therapy Assistant                      |
| Art, Music, Dance, Recreational Therapists |
| Audiologist                                |
| BANA Biofeedback Coach                     |
| Bioethicist                                |
| Biofeedback Provider                       |
| CHCEA Homeopath Coach                      |
| CMAA Massage Therapist                     |
| College Admissions Counselor               |
| Counselor Educator                         |
| Dance Therapist                            |
| Dance Therapy Assistant                    |
| Dietitian                                  |
| HCANA Relaxation Therapist                 |
| Histologic Technician                      |
| Hypnotherapist (non-entertainment)         |
| LED Therapist                              |
| Massage Therapist                          |
| Medical Dosimetrist                        |

|   |
|---|
| Medical Lab Technician  |
| Medical Technologist  |
| Music Therapist   |
| Music Therapy Assistant   |
| NTANA Hypnotherapist  |
| NTANA Reflexology/Acupressure Coach   |
| NTANA Sound Therapist   |
| Occupational Therapist  |
| Occupational Therapy Assistant  |
| Optician  |
| Optician Assistant  |
| Patient Intake Technician   |
| Pharmacist (fully employed)   |
| Pharmacy Assistant/Technician   |
| Phlebotomy Technician   |
| Physical Therapist  |
| Physical Therapy Assistant  |
| Psychological Assistant/Associate   |
| Radiation Therapist   |
| Radiological Technologist   |
| Recreational Therapy Assistant  |
| Reflexologist   |
| Rehabilitation Counselor/Therapist/Consultant   |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) |
| Rehabilitation Engineer   |
| Rehabilitation Therapist Assistant  |
| Reiki Practitioner  |
| Respiratory Therapist   |
| Respiratory Therapist Assistant   |
| School Counselor  |
| Speech Pathologist  |
| Speech Therapist  |
| Vocational Evaluator  |
| Work Adjustment Specialist  |
| Work Hardening/Functional Capacity/Assessment   |

#### **Group 2 - Occupations**

|                             |
|-----------------------------|
| Adaptive Fitness Specialist |
| Aerobics Instructor         |
| Athletic Trainer            |
| Career Counselor            |
| Case Worker/Manager         |
| Certified Fitness Trainer   |

|   |
|---|
| Certified Marriage & Family Therapist                             |
| CMAA Aerobics, Pilates, Yoga Instructor                           |
| CMAA Athletic, Fitness, Golf Fitness, Personal Trainer            |
| CPR Trainer   |
| Dental Assistant  |
| Dental Hygienist  |
| Endurance Fitness Trainer   |
| Executive Coach   |
| Fitness Therapist   |
| Fitness Therapy Assistant   |
| Golf Fitness Trainer  |
| HCANA Health Coach  |
| HCANA Light Therapist   |
| Health & Safety Educator  |
| Holistic Fitness Trainer  |
| Independent Living Instructor                                     |
| ISSA - Adaptive Fitness Specialist                                |
| ISSA - Aerobic Instructor   |
| ISSA - Athletic Trainer   |
| ISSA - Certified Fitness Trainer                                  |
| ISSA - Certified Personal Trainer                                 |
| ISSA - Endurance Fitness Trainer                                  |
| ISSA - Fitness Therapy Assistant                                  |
| ISSA - Fitness Therapist  |
| ISSA - Golf Fitness Trainer                                       |
| ISSA - Holistic Fitness Trainer                                   |
| ISSA - Martial Arts Conditioning Specialist no physical contact   |
| ISSA - Martial Arts Conditioning Specialist with physical contact |
| ISSA - Older Adult Fitness Trainer                                |
| ISSA - Pilates Instructor   |
| ISSA - Water Fitness Trainer                                      |
| ISSA - Yoga Instructor  |
| ISSA - Youth Fitness Trainer                                      |
| Job Coach/Job Developer/Job Trainer                               |
| Licensed/Certified Professional Counselor                         |
| Life Coach  |
| Martial Arts Conditioning Specialist no physical contact          |
| Martial Arts Conditioning Specialist with physical contact        |
| NHMEA Health Coach  |
| NHMEA Nutrition Coach   |
| NHMEA Nutritionist  |
| NTANA Stress Mgt Coach  |
| Nutritionist  |
| Older Adult Fitness Trainer                                       |
| Pastoral Counseling Assistant                                     |

|                                  |
|----------------------------------|
| Pastoral Counselor               |
| Performance Nutrition Specialist |
| Personal Coach                   |
| Pilates Instructor               |
| Social Worker                    |
| Transition Specialist            |
| Triathlon Coach                  |
| Water Fitness Trainer            |
| Wellness Counselor               |
| Yoga Instructor                  |
| Youth Fitness Trainer            |

|   |
|---|
|   |
| <b>Group 3 - Occupations</b>                                    |
| Massage Envy Massage Therapist – Part Time                      |
| Massage Envy Massage Therapist – Full Time                      |
| Massage Envy Aesthetician                                       |
| NBCC Art Therapist  |
| NBCC Art Therapist Assistant                                    |
| NBCC Art, Music, Dance, Recreational Therapists                 |
| NBCC Career Counselor   |
| NBCC Case Worker/Manager  |
| NBCC Certified Marriage & Family Therapist                      |
| NBCC College Admissions Counselor                               |
| NBCC Counselor Educator   |
| NBCC Dance Therapist  |
| NBCC Dance Therapist Assistant                                  |
| NBCC Drug & Alcohol Counselor                                   |
| NBCC Licensed/Certified Professional Counselor                  |
| NBCC Mental Health Counselor                                    |
| NBCC Music Therapist  |
| NBCC Music Therapy Assistant                                    |
| NBCC Occupational Therapist                                     |
| NBCC Occupational Therapy Assistant                             |
| NBCC Pastoral Counselor   |
| NBCC Pastoral Counselor Assistant                               |
| NBCC Patient Intake Technician                                  |
| NBCC Recreational Therapist                                     |
| NBCC Recreational Therapy Assistant                             |
| NBCC Rehabilitation - Counselor/Therapist/Consultant            |
| NBCC Rehabilitation Counselor (including wage/loss projections) |
| NBCC School Counselor   |
| NBCC Social Worker  |

|                                      |
|--------------------------------------|
| NBCC Wellness Counselor              |
| PMA Certified Pilates Instructor     |
| PMA Non-Certified Pilates Instructor |
| PMA Student                          |

\*Long Term Care Medical Director- (surplus lines only via Beazley Miscellaneous Medical Malpractice policy form) This class is a surplus lines addendum to the Lockton Allied Health Binding Agreement with Beazley. Individual policies written outside of the Allied Health Risk Purchasing Group.

# 1 Decline to accept:

Physician, surgeon, dentist, osteopath, podiatrist, orthodontist, chiropractor, Acupuncturist, psychiatrist, psychologist, EMT, podiatrist, nurse, nurse practitioner, midwife, engineer, engineering consultant; safety inspector, jobsite safety trainer or consultant, environmental inspector or consultant. MRI Technician, Cardiovascular Technician, CAT SCAN Technician/Technologist, Sonographer, Mammographer; Massage Groups, Self employed Pharmacists and Pharmacy Groups (employed pharmacists are eligible)

## RATING RULES

### A. PREMIUM CALCULATION

#### 1. BASE RATE

First determine the appropriate Occupation and identify the applicable base rate from the Base Rate Chart. If there are multiple Occupations insured under the same policy the premium will be based upon the highest rated occupation.

#### 2. EMPLOYMENT STATUS FACTOR

Identify the number of each of the following and apply the Employment Status factor to the number of each category.

| Employment Status               | Factor |
|---------------------------------|--------|
| Full Time Owners (GROUPS ONLY)  | 2.00   |
| Part Time Owners (GROUPS ONLY)  | 1.50   |
| Employed full time or part time | 1.00*  |
| Self Employed Full Time**       | 1.90*  |
| Self Employed Part Time**       | 1.40*  |

\* ISSA new business effective XX/XX/XXXX and after will only have one base rate regardless of employment category and hours. Existing business will have their prior rate structure grandfathered.

\*\*Physical Therapists that are Self-Employed (Full-Time and Part-Time) have their own base rate listed in the Base Rate by Occupation grid below, and are not subject to any additional self-employed full-time or part-time debit factor.

#### 3. STUDENTS

Students, if enrolled full time in an accredited student program, are written on individual policies and rated at a flat premium charge of \$18 the first year and \$20 for each

subsequent renewal. A single per claim/aggregate limit of liability of \$1,000,000/\$3,000,000 at a zero deductible applies to all Student policies. PMA students are an agreed to exception of \$18 for all years.

4. Calculate the Employed Only Individual Premium as follows:

(Occupation Base Rate) (Employment status factor- *always is 1.0*) (Increase Limit Factor) (Prior Acts Factor) (State Factor of *default to 1.0*) (Claims Debit) (Disciplinary Debit) = Annual Employed Only Premium + 8% x Annual Employed Only Premium = Final Premium plus fees Rounded.

5. Calculate the Self Employed Full Time or Part Time Individual as follows:

[(Occupation Base Rate) (Self Employed Full Time Factor of **1.9 or 1.4** for Part Time) (Experience Factor) (Increase Limit Factor) (Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (Claims Debit) (Disciplinary Debit) (Risk Management Course Credit *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

6. Calculate the ISSA Individual first written XX/XX/XXX or later as follows:

[(Occupation Base Rate) (Experience Factor) (Increase Limit Factor) (Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (Claims Debit) (Disciplinary Debit) (Risk Management Course Credit *default to 1.0*) (Military Veteran Credit *default to 1.0*) (ISSA Specialty Level Factor *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

7. Calculate Group Premium as follows:

[Calculate Full Time Owners at Employed rate for Occupation X 2.00 and Part Time Owners at Employed rate for Occupation X 1.50, then total all for **Owner Total**] [Calculate all Employees (and any IC's we are charging for) using Employed rate for Occupation, then total all for **Employed Total**]

(**Owner Total + Employed Total**) (group step factor) (Increase Limit Factor at minimum deductible) (State Factor) (Claims Debit) (Disciplinary Debit) (Individual Risk Modifier) (Multiple Locations) (Gross Revenue Modifier) (staff size credit) = Total Premium Rounded + Additional Insured Premium Rounded = Total Premium with Optional Coverages + 8% x (Total Premium Rounded with Optional Coverages) = Final Premium plus fees Rounded.

- NOTE: Administrative Fee is currently 6% pending implementation of the new system, at which time it will be increased to 8%.

## B. RATING COMPONENTS

### 1. STAFF SIZE CREDITS (GROUPS ONLY)

1. Groups will be given credit based on the size of the firm:

|    |            |   |   |
|----|------------|---|---|
| a. | 3-5        | = | 4% credit                               |
| b. | 6-10       | = | 6% credit                               |
| c. | 11-15      | = | 8% credit                               |
| d. | 16-19      | = | 10% credit                              |
| e. | 20 or more | = | 15% credit (refer to Senior Underwriter |

### 2. LIMITS OF LIABILITY\*

The following limits are available with applicable Decrease/Increase Limits Factors (ILF's). The ILF should be applied to the rate for a \$1,000,000/\$3,000,000 policy to arrive at the correct base premium.

| Limit/Aggregate             | Factor |                                  |
|-----------------------------|--------|----------------------------------|
| \$100,000 / \$300,000       | .52    |                                  |
| \$250,000 / \$500,000       | .67    | *Shared Limit of Liability       |
| \$500,000 / \$500,000       | .83    | **Higher limits will be offered  |
| \$1,000,000 / \$1,000,000   | .91    | in Virginia to comply with state |
| \$1,000,000 / \$3,000,000   | 1.00   | requirements                     |
| \$2,000,000 / \$4,000,000** | 1.37   |                                  |

1. Prior Acts Factors for Individual Policies by Occupation Grouping:

| Group # | 1      | 2    | 3<br>NBCC |
|---------|--------|------|-----------|
| Year    | Factor |      |           |
| 1       | 1.00   | 1.00 | 1.00      |
| 2       | 1.14   | 1.14 | 1.00      |
| 3       | 1.26   | 1.19 | 1.00      |
| 4+      | 1.37   | 1.19 | 1.00      |

Prior Acts Factors for Group Policies:

| Year | Factor |
|------|--------|
| 1    | 1.00   |
| 2    | 1.14   |
| 3    | 1.26   |
| 4+   | 1.37   |

2. Risk Management credit of 10% will be given to those individuals who complete 4 hours or more of continuing education for Risk Management, Ethic or Legal or who obtained a secondary certification or licensure relevant to their profession within the past 12 months. Evidence of completion must be faxed in to receive the credit.

5. State

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

6. Multiple Locations:

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

7. Individual Risk Modifier:

| Characteristic        | Factor      |
|-----------------------|-------------|
| Type of clients       | 1.25 to .75 |
| Business Experience   | 1.25 to .75 |
| Supervision of staff  | 1.25 to .75 |
| Quality of Management | 1.25 to .75 |
| Total                 | 2.00 to .75 |



8. Claims Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to Claims paid or reserved in the last 5 years</b> | <b>1.00 to 2.50</b> |

9. Disciplinary Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to 2 or more Disciplinary Investigations or Adverse Disciplinary Rulings in the last 5 years</b> | <b>1.00 to 2.50</b> |

10. Gross Revenue Modifier

| Rule   | Factor              |
|--|---------------------|
| <b>Yes to annual gross revenue exceeds \$1,500,000</b> | <b>1.00 to 1.50</b> |

11. Military Veteran Credit – ISSA only

| Rule  | Factor             |
|---|--------------------|
| <b>ISSA - Yes to Military Veteran qualifies for one-time 10% discount; No will default to 1.00 (not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist <u>with</u> contact)</b> | <b>.90 to 1.00</b> |

12. ISSA Specialty Level Factor

| Rule   | Factor             |
|--|--------------------|
| <b>ISSA – “Elite” status qualifies for 10% credit; “Masters” status qualifies for 12.5% credit; “Associate Degree via ISSA” qualifies for 15% credit; No special status will default to 1.00. (not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist <u>with</u> contact)</b> | <b>.85 to 1.00</b> |

**C. BASE RATE BY OCCUPATION**

| Group 1                                    |           | Group 2  |           | Group 3   |           |
|--|-----------|--|-----------|---|-----------|
| Occupation                                 | Base Rate | Occupation   | Base Rate | Occupation  | Base Rate |
| Acupressurist                              | 220       | Adaptive Fitness Specialist                            | 127       | Massage Envy Massage Therapist – Part-Time                      | 67        |
| Art Therapist                              | 78        | Aerobics Instructor                                    | 127       | Massage Envy Massage Therapist – Full Time                      | 90        |
| Art Therapy Assistant                      | 78        | Athletic Trainer                                       | 127       | Massage Envy Aesthetician                                       | 175       |
| Art, Music, Dance, Recreational Therapists | 78        | BCC Career Coach                                       | 88        | NBCC Art Therapist  | 78        |
| Audiologist                                | 45        | BCC Executive Coach                                    | 88        | NBCC Art Therapist Assistant                                    | 78        |
| BANA Biofeedback Coach                     | 193       | BCC Health/Wellness Coach                              | 88        | NBCC Art, Music, Dance, Recreational Therapists                 | 78        |
| Bioethicist                                | 340       | BCC Life Coach   | 88        | NBCC Career Counselor   | 102       |
| Biofeedback Provider                       | 193       | BCC Personal Coach                                     | 88        | NBCC Case Worker/Manager  | 125       |
| CHCEA Homeopath Coach                      | 101       | Career Counselor                                       | 112       | NBCC Certified Marriage & Family Therapist                      | 102       |
| CMAA Massage Therapist                     | 120       | Case Worker/Manager                                    | 180       | NBCC College Admissions Counselor                               | 102       |
| College Admissions Counselor               | 101       | Certified Fitness Trainer                              | 127       | NBCC Counselor Educator   | 102       |
| Counselor Educator                         | 101       | Certified Marriage & Family Therapist                  | 102       | NBCC Dance Therapist  | 78        |
| Dance Therapist                            | 78        | CPR Trainer  | 70        | NBCC Dance Therapist Assistant                                  | 78        |
| Dance Therapy Assistant                    | 78        | CMAA Aerobics, Pilates, Yoga Instructor                | 127       | NBCC Drug & Alcohol Counselor                                   | 102       |
| Dietitian                                  | 51        | CMAA Athletic, Fitness, Golf Fitness, Personal Trainer | 127       | NBCC Licensed/Certified Professional Counselor                  | 102       |
| HCANA Relaxation Therapist                 | 68        | Dental Assistant                                       | 63        | NBCC Mental Health Counselor                                    | 102       |
| Histologic Technician                      | 62        | Dental Hygienist                                       | 63        | NBCC Music Therapist  | 78        |
| Hypnotherapist (non-entertainment)         | 131       | Endurance Fitness Trainer                              | 127       | NBCC Music Therapy Assistant                                    | 78        |
| LED Therapy                                | 68        | Executive Coach  | 88        | NBCC Occupational Therapist                                     | 75        |
| Massage Therapist                          | 120       | Fitness Therapist                                      | 127       | NBCC Occupational Therapy Assistant                             | 75        |
| Medical Dosimetrist                        | 193       | Fitness Therapy Assistant                              | 127       | NBCC Pastoral Counselor   | 102       |
| Medical Lab Technician                     | 62        | Golf Fitness Trainer                                   | 127       | NBCC Pastoral Counselor Assistant                               | 102       |
| Medical Technologist                       | 62        | HCANA Health Coach                                     | 88        | NBCC Patient Intake Technician                                  | 125       |
| Music Therapist                            | 78        | HCANA Light Therapist                                  | 88        | NBCC Recreational Therapist                                     | 78        |
| Music Therapy Assistant                    | 78        | Health & Safety Educator                               | 70        | NBCC Rehabilitation - Counselor/Therapist/Consultant            | 102       |
| NTANA Hypnotherapist                       | 131       | Holistic Fitness Trainer                               | 127       | NBCC Rehabilitation Counselor (including wage/loss projections) | 102       |

| Group 1                        |           | Group 2                       |           | Group 3                             |           |
|--------------------------------|-----------|-------------------------------|-----------|-------------------------------------|-----------|
| Occupation                     | Base Rate | Occupation                    | Base Rate | Occupation                          | Base Rate |
| NTANA Reflexology/Accupressure | 220       | Independent Living Instructor | 180       | NBCC Recreational Therapy Assistant | 78        |

|  |     |  |             |                                      |     |
|--|-----|--|-------------|--------------------------------------|-----|
| Coach  |     |  |             |                                      |     |
| NTANA Sound Therapist                        | 89  | ISSA - Adaptive Fitness Specialist<br>*First written<br>xx/xx/xxxx or later                              | 127<br>178* | NBCC School Counselor                | 102 |
| Occupational Therapist                       | 193 | ISSA - Aerobic Instructor<br>*First written<br>xx/xx/xxxx or later                                       | 127<br>178* | NBCC Social Worker                   | 102 |
| Occupational Therapy Assistant               | 193 | ISSA - Athletic Trainer<br>*First written<br>xx/xx/xxxx or later   | 127<br>178* | NBCC Wellness Counselor              | 125 |
| Optician                                     | 220 | ISSA - Certified Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Certified Pilates Instructor     | 110 |
| Optician Assistant                           | 193 | ISSA - Certified Personal Trainer<br>*First written<br>xx/xx/xxxx or later                               | 127<br>178* | PMA Non-Certified Pilates Instructor | 130 |
| Patient Intake Technician                    | 120 | ISSA - Endurance Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Student                          | 18  |
| Pharmacist                                   | 340 | ISSA - Fitness Therapy Assistant<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* |                                      |     |
| Pharmacy Assistant/Technician                | 84  | ISSA - Fitness Therapist<br>*First written<br>xx/xx/xxxx or later  | 127<br>178* |                                      |     |
| Phlebotomy Technician                        | 62  | ISSA - Golf Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                     | 127<br>178* |                                      |     |
| Physical Therapist – Employed                | 122 |  |             |                                      |     |
| Physical Therapist – Self Employed Full Time | 298 | ISSA - Holistic Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                 | 127<br>178* |                                      |     |
| Physical Therapist – Self Employed Part Time | 220 |  |             |                                      |     |
| Physical Therapy Assistant                   | 49  | ISSA - Martial Arts Conditioning Specialist no physical contact<br>*First written<br>xx/xx/xxxx or later | 127<br>178* |                                      |     |
| Psychological Assistant/Associate            | 340 |  |             |                                      |     |

| Group 1   |           | Group 2  |             | Group 3    |           |
|---|-----------|--|-------------|------------|-----------|
| Occupation  | Base Rate | Occupation   | Base Rate   | Occupation | Base Rate |
| Radiation Therapist   | 220       | ISSA - Martial Arts Conditioning Specialist with physical contact        | 175         |            |           |
| Radiological Technologist   | 193       | ISSA - Older Adult Fitness Trainer<br>*First written xx/xx/xxxx or later | 175<br>178* |            |           |
| Recreational Therapy Assistant  | 78        | ISSA Pilates Instructor  | 127         |            |           |
| Reflexologist   | 220       | ISSA - Water Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Counselor/Therapist/Consultant   | 220       | ISSA - Yoga Instructor   | 127         |            |           |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) | 340       | ISSA - Youth Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Engineer   | 220       | Job Coach/Job Developer/Job Trainer                                      | 88          |            |           |
| Rehabilitation Therapist Assistant  | 53        | Licensed/Certified Professional Counselor                                | 117         |            |           |
| Reiki Practitioner  | 68        | Life Coach   | 88          |            |           |
| Respiratory Therapist   | 53        | Martial Arts Conditioning Specialist no physical contact                 | 127         |            |           |
| Respiratory Therapist Assistant   | 53        | Martial Arts Conditioning Specialist with physical contact               | 175         |            |           |
| School Counselor  | 101       | NHMEA Health Coach   | 88          |            |           |
| Speech Pathologist  | 50        | NHMEA Nutrition Coach  | 61          |            |           |
| Speech Therapist  | 50        | NHMEA Nutritionist   | 61          |            |           |
| Vocational Evaluator  | 220       | NTANA Stress Mgt Coach   | 88          |            |           |
| Work Adjustment Specialist  | 220       | Nutritionist   | 61          |            |           |
| Work Hardening/Functional Capacity/Assessment   | 220       | Older Adult Fitness Trainer  | 175<br>119  |            |           |
|   |           | Pastoral Counselor   |             |            |           |
|   |           | Pastoral Counseling Assistant  | 119         |            |           |
|   |           | Performance Nutrition Specialist   | 61          |            |           |

| Group 1    |           | Group 2        |           | Group 3    |           |
|------------|-----------|----------------|-----------|------------|-----------|
| Occupation | Base Rate | Occupation     | Base Rate | Occupation | Base Rate |
|            |           | Personal Coach | 88        |            |           |

|          |              |                       |     |  |  |
|----------|--------------|-----------------------|-----|--|--|
|          |              | Pilates Instructor    | 127 |  |  |
| <b>D</b> |              | Social Worker         | 112 |  |  |
|          |              | Transition Specialist | 179 |  |  |
|          | <b>O</b>     | Triathlon Coach       | 175 |  |  |
|          | <b>P</b>     | Water Fitness Trainer | 127 |  |  |
|          | <b>T</b>     | Wellness Counselor    | 175 |  |  |
|          | <b>I</b>     | Yoga Instructor       | 127 |  |  |
|          | <b>O</b>     | Youth Fitness Trainer | 127 |  |  |
|          | <b>N</b>     |                       |     |  |  |
|          | <b>A</b>     |                       |     |  |  |
|          | <b>L COV</b> |                       |     |  |  |

#### D. OPTIONAL COVERAGE & FEE CALCULATIONS

- 1. Additional Insured Calculation: for Groups:** \_\_\_\_\_# of additional insureds X 5% of the **Total Premium Rounded**, also rounded to the nearest dollar, subject to a \$250 each minimum charge for groups. **For Self-Employed Individuals:** a 1% surcharge will apply to all Self-Employed Individual policies.
- 2. Terrorism Calculation:** included at no additional charge in the premium quoted.
- 3. Association Membership Fee due annually:**  
 $6\% \times (\text{Total Premium Rounded} + \text{Optional Coverages}) = \text{Final Premium plus fees Rounded.}$

#### E. MINIMUM DEDUCTIBLES

The following minimum deductibles apply per occupation as stated:

**\$2,500 minimum deductible:** Athletic Trainer, Bioethicists, Martial Arts Conditioning (with contact),  
 Massage Therapists, NBCC Rehabilitation Counselor (Including Wage/Loss Projections),  
 Physical Therapist, Psychological Assistant/Associate, Reiki Practitioner, Employed Pharmacist  
 Rehabilitation Counselor (Including Wage/Loss Projections).

**\$1,000 Minimum Deductible: All Others**

#### F. ROUNDING RULE

The dollar amount for **Total Premium** or each optional exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- Any amount involving \$.50 or over will be rounded up to the next highest whole dollar.
- Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

#### G. ADDITIONAL PREMIUM

- Pro-rate all changes requiring additional premium other than cancellation requested by insured which will then be calculated on a short rate basis subject to a 10% penalty.
- Additional premiums will be calculated based upon the rates and rules that are in effect as of the policy effective date.

#### H. RETURN PREMIUMS

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium based upon the rates used at policy inception.
3. Compute return premium pro-rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance is reduced. When cancellation of an entire policy is requested by the Insured, return premium will be the customary short-rate. The only exception to that is if a policy is cancelled for non-payment of premium, the return premium will be calculated according to the customary pro-rata cancellation.

## Section 10: Audits

1. Lockton Affinity will conduct semi-annual self-audits to assure that program guidelines are being followed. There will be a minimum of 20 files per year audited.
2. The audit will follow our standard QAP process and review:
  - a. Underwriting
  - b. Regulatory Compliance
  - c. Assessment of Timeliness
  - d. Compliance with documented file requirements
  - e. Compliance with documented Underwriting Guidelines
3. Copies of audit reports are to be retained in-house by the Senior Underwriter for review by Underwriters at any time.

### Professional Liability Audit Worksheet

Product Line:                      Program:                      Insured Name:  
 Velocity #                      Eff Date                      Audit Date:                      Audited By:

| <b>Underwriting</b>   | Yes | No | <b>QAP QUESTION</b> Comments             |
|---|-----|----|--|
| Application information is currently dated and sufficient to provide risk details?      |     |    | Application                              |
| Submission is acceptable as prescribed by program guidelines?                           |     |    | Underwriting Guidelines                  |
| Submission is within Lockton authority or properly referred to carrier?                 |     |    | Underwriting Guidelines                  |
| Additional information pursued if needed and documented                                 |     |    | Documentation                            |
| Coverage bound within program parameters?   |     |    | Underwriting Guidelines                  |
| Pricing within rating guidelines and Lockton Authority or properly referred to carrier? |     |    | Rating – Pricing Guidelines              |
| Prior acts coverage dates appropriate?  |     |    | Policy Issuance                          |
| Acceptable rating factors used and documented   |     |    | Rating – Rating & Documentation          |
| Carrier system properly loaded & documented   |     |    | Documentation, Policy Issuance or Rating |
| <b>Processing</b>   |     |    |  |
| Quote delivered timely  |     |    | Proposals                                |
| Quote complete, clear and concise   |     |    | Proposals                                |
| RTB processed within 48 hours   |     |    | Binding – Request to Bind                |
| Policy delivered within program time frames   |     |    | Policy Issuance                          |
| Policy detail loaded accurately on Velocity   |     |    | Velocity – Detail Set                    |
| Dec page matches RTB and quoted terms   |     |    | Policy Issuance                          |
| Policy, Rating worksheet, underwriting  |     |    | Documentation                            |

|  |  |  |  |
|--|--|--|--|
| notes and all relevant application documents attached to Velocity  |  |  |  |
| Loss run in Velocity if applicable   |  |  | Loss Information   |
| Carrier approval in Velocity if applicable   |  |  | Referral – External Company                              |
| Endorsements – were they completed correctly?  |  |  | Endorsements   |
| Non-Renewals and Cancellations Regulatory Requirements were met. (correct # days, acceptable reasons     |  |  | Non-Renewals and Cancellations – Regulatory Requirements |
| Non-Renewals and Cancellations Procedures were followed. (referrals and approvals, correct reason codes) |  |  | Non-Renewals and Cancellations - Procedures              |



## **COVERAGE**

### **A. Coverage Parts and Limits of Liability**

- Professional Liability up to \$2,000,000/\$4,000,000. Supplemental coverages listed below pay in addition to the limit. The policy is subject to one combined limit of liability for all coverage features for the policy period. Defense costs reduce that limit of liability.
- Modified General Liability( no products or completed operations) including property damage to property of others and Advertising Liability(shares professional limit);
- Fire/Water Damage Legal Liability- \$100,000 per claim and in the aggregate;
- Medical Expense Coverage in the amount of \$2000 Each Person and \$50,000 in the aggregate;
- Supplementary Payments:
  - Insured's Loss of Earnings for attendance at arbitration, trial or mediation in the amount of \$500 per day subject to a maximum of \$10,000 per claim.
  - Deposition Fees and Expenses in the amount of \$5000 each Deposition and \$25,000 in the policy aggregate;
  - Damage to the property of others in the care, custody or control of the Insured in the amount of \$500 each Accident and \$5,000 in the Aggregate;
  - Licensing Board Investigation Coverage in the amount of \$5,000 per incident and \$10,000 for all incidents per policy period.
  - Sexual Abuse Defense limit of \$2,500 per claim and \$5,000 in the aggregate. Higher limits for this coverage part may be offered as agreed by Underwriters.

### **B. Claims Made Coverage**

1. Professional Liability on a claims made basis with retro date inception for uninsured applicants or applicants previously insured on an occurrence basis. Prior acts coverage for applicants previously continuously insured on a claims made basis with a verified prior acts date may be submitted to the Senior Underwriter for consideration of matching the expiring company's prior acts date.
2. General Liability offered on a claims made basis and defined as, personal injury, property damage or advertising liability under the Miscellaneous Medical Professional Liability and General Liability Policy form FO 0271 03/2012 modified by endorsement to exclude products and completed operations coverage. The program will move off of the AIF 2610 form in Summer, 2013 and was previously occurrence coverage. When converting existing policyholders from the AIF 2310 policy form to the Miscellaneous Medical Professional Liability and General Liability Policy form FO 0271 03/2012, the professional liability coverage and the modified General Liability coverage will be subject to the same prior acts retroactive date.

### **C. OPTIONAL COVERAGES**

1. Additional Named Insured (Corporations/Partnerships):  
Coverage can be added free of charge for the professional corporation that is owned or controlled by a single insured on an Individual policy provided the entity has no other owners or employees. If there are other owners or employees, a group policy will need to be applied for.
2. Additional Insureds:  
Coverage can be added for third parties vicarious liability as a result of the Named Insured's actions. Employed individuals and students are not eligible for Additional

Insured Coverage. For self employed individuals, there is no additional premium due for this as there is a 1% charge built into the rating. Groups will be subject to a 5% surcharge against the total policy premium before fees and terrorism premium are added for each additional insured. In addition, Groups are subject to a minimum premium of \$250 for each Additional Insured.

3. Independent Contractors:

1099 Independent contractors may be added to a policy via endorsement # BSLMT06580207 AMEND INSURED TO INCLUDE INDEPENDENT CONTRACTOR for the appropriate full time or part time employee rate (pro-rated as necessary). To qualify independent contractor may not have separate professional liability insurance and be working on behalf of the Named Insured.

4. Terrorism Coverage:

With the conversion of the program to Velocity from PS On Line, Terrorism coverage is included in the quoted premium and applies to both the Professional Liability coverage and the General Liability coverage sections of the policy. Standard Lloyds Terrorism endorsements are used and supplied by Lloyds Illinois and reviewed annually for compliance purposes.

## D. DEFINITIONS

**Allied Health Professional** means the occupation described in an application for this insurance or by addendum, and approved by Underwriters, and does not include services as a physician, surgeon, dentist, osteopath, podiatrist, orthodontist, chiropractor, psychiatrist, psychologist, pharmacist, EMT, podiatrist, nurse, nurse practitioner, midwife, engineer, engineering consultant; safety inspector, jobsite safety trainer or consultant, environmental inspector or consultant. There is no '*Named Occupation*' listed in the Declarations page, so previously covered occupations and new occupations that may be disclosed and approved by Underwriters during the policy period or prior policy periods are automatically covered. It is necessary to specifically exclude by endorsement any undesirable occupation disclosed in the application process or during the policy period.

**Additional Insured:**

Provides vicarious liability coverage for both professional liability and general liability coverage provisions on a blanket basis via standard language displayed in the program's certificate of insurance and included in the policy wording in the definition of Insured: F.

- (f) An **Additional Insured**, but only as respects the vicarious liability of such individual or entity:
- for **Bodily Injury** caused by negligent acts, errors or omissions of the **Insured** otherwise covered under Insuring Agreement I.A.1 Professional Services Liability of this policy.
  - For **Personal Injury, Property Damage** or **Advertising Liability** caused by an **Accident** otherwise covered by Insuring Agreement I.A.2, General Liability of this policy.
  - For **Property Damage** arising out of any one fire or any one **Water Damage** as covered by Insuring Agreement I.A.3, Fire and Water Damage Legal Liability of this policy.

Policyholders can produce a certificate of insurance naming an additional insured from the program's website. Those applications naming additional insureds will be underwritten for a valid insurable interest. The website will not allow *employed individuals or students* to produce a certificate with this additional insured coverage referenced unless specifically agreed to for a specific sponsoring association. The programs additional insured premium calculation will include a charge against all self-employed individual policies of 1% of the annual premium for this additional blanket coverage feature. Groups will be charged a 5% debit for the exposure, subject to a minimum premium of \$250 for each additional insured. The additional charge may be waived for certain insureds or class of business as agreed to by Underwriters.

**Association, Partnership, Group or Corporation Coverage**

Applies to the business entity named on the declarations page. The coverage is free of charge for 100% applicant owned entities under which the applicant performs the intended professional services.

**Claim**

A demand for money or services or a filing of suit. **Claim** also includes notice of an incident that could give rise to a claim in the future.

**Claims-Made**

Coverage trigger which requires that the claim or incident be made while the policy is in force and for services or accidents that took place after the policy's retroactive date.

**Employed**

An individual who works as an employee, regardless of the number of hours worked, and receives benefits as are legally required (i.e., workers compensation, state disability, etc.)

**Extended Reporting Period**

Refers to the optional coverage commonly referred to as "tail" coverage which extends the period of time for which to report claims against an expired policy arising from acts occurring after the policy's prior acts retro active date for either 12 months, 24 months, or 36 months at 100%, 150% or 200% respectively of the policy's last annual premium. The ERP does not extend the policy period nor does it reinstate the limit of liability nor waive the deductible.

**Full-Time**

An individual who works 25 hours or more per week.

**Independent Contractor**

An individual who works for themselves and contracts their services to another individual or business. They do not receive benefits ordinarily provided to an employee.

**Individual Coverage**

Applies to the individual person named on the Declarations Page as the "Insured". The individual is generally a solo individual covered under a policy for employed professionals, students or self-employed professionals.

**Licensing Board Complaint**

An investigation by a Regulatory body, peer review board or any other proceeding to which the Insured is required to submit, that pertains to their qualifications to practice as an allied health professional.

**Licensure:**

A condition of the coverage afforded under the Policy that the facilities of the **Named Insured** and any individual **Insured** is required to be licensed in accordance with all relevant federal, state and local requirements at the time professional services are rendered. The **Named Insured** warrants that all relevant licenses pertaining to this insurance have been in the past and are currently valid. This provision does not apply to an allied health student or a unlicensed or uncertified **Allied Health Professional** who is under the direct supervision of a physician, nurse or other licensed or certified Allied Health Professional, or a teacher, or who is employed at a hospital, or other licensed health care provider.

**Part-Time**

An individual who works less than 25 hours per week.

**Predecessor Firm**

To provide for prior acts coverage by endorsement should the Named Insured entity ownership or name change slightly but the make up of the insured entity remain substantially the same. This makes it unnecessary for the formerly insured entity to "*tail out*" the policy for the former insured and also purchasing a new Retro Date Inception (RDI) policy to be written for the new entity which is recognized as the successor entity to the former Named Insured.

**Prior Acts**

Under a claims-made policy, retroactive coverage that provides insurance for claims arising from incidents that occurred while a previous claims-made policy or policies were in effect, but that were not reported until that policy (or the last in a succession of policies) was terminated

**Professional Services**

Means those services for which an **Allied Health Professional** is required to be licensed, certified or trained and qualified to perform at the time such services were rendered. **Professional services** include services as an educator or as a member of a formal accreditation, standards review, or similar professional board or committee.

**Regulatory Investigation**

Same as Licensing Board Complaint: An investigation by a Regulatory body, peer review board or any other proceeding to which the Insured is required to submit, that pertains to their qualifications to practice the profession applied for in the application.

**Retro-Active Date**

The date stipulated in a claims-made liability policy declarations as the date where after acts must have occurred in order to trigger coverage under a claims made policy. The retroactive date is designed to provide coverage for claims resulting from incidents that take place prior to the current policy term. Claims-made policies usually have a retroactive date of the first policy issued to the insured under the program and continually renewed. When coverage is not continuous, the prior acts retroactive date is *advanced* or moved up to a current effective date resulting in what is known as a *gap in coverage*.

**Self-Employed**

An individual who is an independent contractor or who owns and operates their own practice, either part-time or full-time. Individuals who are both employed and self-employed are considered to be self-employed for rating purposes.

**CANCELLATION / NON-RENEWAL**

1. Cancellation notification will comply with regulations in the State of Illinois and cancellation provisions within the policy form, as per the filed Risk Purchasing Group.
2. Direct notices of cancellation are to be issued in accordance with Illinois state law.
3. Notification must be sent to the Insured at the address last known by the company.
4. Cancellation will be evidenced by a cancellation endorsement. The original will be sent to the insured and a copy will be attached to the insured's Velocity file.
5. If an insured requests cancellation, the request must be received in writing prior to the requested effective date. The insured may also effect cancellation by returning the original policy, or submitting a signed cancellation letter. An Extended Reporting Period will be offered if the insured has had a prior term policy with us. The insured only has sixty (60) days to exercise their option to purchase the ERP. Flat cancellations are not permitted unless requested in writing prior to the inception date of the policy or if approved due to extenuating circumstances by the Senior Underwriter.
6. If a request to cancel mid-term is received after the requested cancellation date, a written reason for the delay is required and may be denied. The insured only has sixty (60) days to exercise the option to purchase an Extended Reporting Period. The 35% minimum earned premium requirement is eliminated with policy form FO 0271 03/2012
7. If we cancel a policy for non-payment of premium, the return premium will be calculated on a prorated basis and notification will allow at least 10 days notice to the named insured. The option to purchase a tail (or Extended Reporting Period) is not available if a policy is cancelled for non-payment of premium.
8. An Extended Reporting Period is available in the event of cancellation or non-renewal for any reason except non-payment of premium. The historical approach for this

program via the AIF 2610 policy offered a one (1) year or 12 month tail at 100% of the expiring annual premium. Underwriters are currently offering a 1, 2, or 3 year extended reporting period option at 100%, 150% and 200% of the expiring policy premium and continue to allow election subject to premium payment within 60 days of the termination date of the policy.

## UNDERWRITING

### A. Acceptable to Write

1. Applicant is licensed or certified or otherwise qualified in the classes of Allied Healthcare Professions as defined.
2. Is a student in one of the acceptable classes.
3. Is a member in good standing of a sponsored association.
4. Does not have any paid losses, or more than three unfounded claims or alleged wrongdoings.
5. If self-employed, has at least one year of work experience or equivalent education, supervised training or life experiences.

### B. Eligible Allied Health Care Professions by Rating Group

#### Group 1 - Area of Specialty

|  |
|--|
| Acupressurist                              |
| Art Therapist                              |
| Art Therapy Assistant                      |
| Art, Music, Dance, Recreational Therapists |
| Audiologist                                |
| BANA Biofeedback Coach                     |
| Bioethicist                                |
| Biofeedback Provider                       |
| CHCEA Homeopath Coach                      |
| CMAA Massage Therapist                     |
| College Admissions Counselor               |
| Counselor Educator                         |
| Dance Therapist                            |
| Dance Therapy Assistant                    |
| Dietitian                                  |
| HCANA Relaxation Therapist                 |
| Histologic Technician                      |
| Hypnotherapist (non-entertainment)         |
| LED Therapist                              |
| Massage Therapist                          |
| Medical Dosimetrist                        |

|   |
|---|
| Medical Lab Technician  |
| Medical Technologist  |
| Music Therapist   |
| Music Therapy Assistant   |
| NTANA Hypnotherapist  |
| NTANA Reflexology/Acupressure Coach   |
| NTANA Sound Therapist   |
| Occupational Therapist  |
| Occupational Therapy Assistant  |
| Optician  |
| Optician Assistant  |
| Patient Intake Technician   |
| Pharmacist (fully employed)   |
| Pharmacy Assistant/Technician   |
| Phlebotomy Technician   |
| Physical Therapist  |
| Physical Therapy Assistant  |
| Psychological Assistant/Associate   |
| Radiation Therapist   |
| Radiological Technologist   |
| Recreational Therapy Assistant  |
| Reflexologist   |
| Rehabilitation Counselor/Therapist/Consultant   |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) |
| Rehabilitation Engineer   |
| Rehabilitation Therapist Assistant  |
| Reiki Practitioner  |
| Respiratory Therapist   |
| Respiratory Therapist Assistant   |
| School Counselor  |
| Speech Pathologist  |
| Speech Therapist  |
| Vocational Evaluator  |
| Work Adjustment Specialist  |
| Work Hardening/Functional Capacity/Assessment   |

#### **Group 2 - Occupations**

|                             |
|-----------------------------|
| Adaptive Fitness Specialist |
| Aerobics Instructor         |
| Athletic Trainer            |
| Career Counselor            |
| Case Worker/Manager         |
| Certified Fitness Trainer   |

|   |
|---|
| Certified Marriage & Family Therapist                             |
| CMAA Aerobics, Pilates, Yoga Instructor                           |
| CMAA Athletic, Fitness, Golf Fitness, Personal Trainer            |
| CPR Trainer   |
| Dental Assistant  |
| Dental Hygienist  |
| Endurance Fitness Trainer   |
| Executive Coach   |
| Fitness Therapist   |
| Fitness Therapy Assistant   |
| Golf Fitness Trainer  |
| HCANA Health Coach  |
| HCANA Light Therapist   |
| Health & Safety Educator  |
| Holistic Fitness Trainer  |
| Independent Living Instructor                                     |
| ISSA - Adaptive Fitness Specialist                                |
| ISSA - Aerobic Instructor   |
| ISSA - Athletic Trainer   |
| ISSA - Certified Fitness Trainer                                  |
| ISSA - Certified Personal Trainer                                 |
| ISSA - Endurance Fitness Trainer                                  |
| ISSA - Fitness Therapy Assistant                                  |
| ISSA - Fitness Therapist  |
| ISSA - Golf Fitness Trainer                                       |
| ISSA - Holistic Fitness Trainer                                   |
| ISSA - Martial Arts Conditioning Specialist no physical contact   |
| ISSA - Martial Arts Conditioning Specialist with physical contact |
| ISSA - Older Adult Fitness Trainer                                |
| ISSA - Pilates Instructor   |
| ISSA - Water Fitness Trainer                                      |
| ISSA - Yoga Instructor  |
| ISSA - Youth Fitness Trainer                                      |
| Job Coach/Job Developer/Job Trainer                               |
| Licensed/Certified Professional Counselor                         |
| Life Coach  |
| Martial Arts Conditioning Specialist no physical contact          |
| Martial Arts Conditioning Specialist with physical contact        |
| NHMEA Health Coach  |
| NHMEA Nutrition Coach   |
| NHMEA Nutritionist  |
| NTANA Stress Mgt Coach  |
| Nutritionist  |
| Older Adult Fitness Trainer                                       |
| Pastoral Counseling Assistant                                     |

|                                  |
|----------------------------------|
| Pastoral Counselor               |
| Performance Nutrition Specialist |
| Personal Coach                   |
| Pilates Instructor               |
| Social Worker                    |
| Transition Specialist            |
| Triathlon Coach                  |
| Water Fitness Trainer            |
| Wellness Counselor               |
| Yoga Instructor                  |
| Youth Fitness Trainer            |

|   |
|---|
|   |
| <b>Group 3 - Occupations</b>                                    |
| Massage Envy Massage Therapist – Part Time                      |
| Massage Envy Massage Therapist – Full Time                      |
| Massage Envy Aesthetician                                       |
| NBCC Art Therapist  |
| NBCC Art Therapist Assistant                                    |
| NBCC Art, Music, Dance, Recreational Therapists                 |
| NBCC Career Counselor   |
| NBCC Case Worker/Manager  |
| NBCC Certified Marriage & Family Therapist                      |
| NBCC College Admissions Counselor                               |
| NBCC Counselor Educator   |
| NBCC Dance Therapist  |
| NBCC Dance Therapist Assistant                                  |
| NBCC Drug & Alcohol Counselor                                   |
| NBCC Licensed/Certified Professional Counselor                  |
| NBCC Mental Health Counselor                                    |
| NBCC Music Therapist  |
| NBCC Music Therapy Assistant                                    |
| NBCC Occupational Therapist                                     |
| NBCC Occupational Therapy Assistant                             |
| NBCC Pastoral Counselor   |
| NBCC Pastoral Counselor Assistant                               |
| NBCC Patient Intake Technician                                  |
| NBCC Recreational Therapist                                     |
| NBCC Recreational Therapy Assistant                             |
| NBCC Rehabilitation - Counselor/Therapist/Consultant            |
| NBCC Rehabilitation Counselor (including wage/loss projections) |
| NBCC School Counselor   |
| NBCC Social Worker  |



|                                      |
|--------------------------------------|
| NBCC Wellness Counselor              |
| PMA Certified Pilates Instructor     |
| PMA Non-Certified Pilates Instructor |
| PMA Student                          |

\*Long Term Care Medical Director- (surplus lines only via Beazley Miscellaneous Medical Malpractice policy form) This class is a surplus lines addendum to the Lockton Allied Health Binding Agreement with Beazley. Individual policies written outside of the Allied Health Risk Purchasing Group.

# **<sup>1</sup> Decline to accept:**

Physician, surgeon, dentist, osteopath, podiatrist, orthodontist, chiropractor, Acupuncturist, psychiatrist, psychologist, EMT, podiatrist, nurse, nurse practitioner, midwife, engineer, engineering consultant; safety inspector, jobsite safety trainer or consultant, environmental inspector or consultant. MRI Technician, Cardiovascular Technician, CAT SCAN Technician/Technologist, Sonographer, Mammographer; Massage Groups, Self employed Pharmacists and Pharmacy Groups (employed pharmacists are eligible)

## **RATING RULES**

### **A. PREMIUM CALCULATION**

#### **1. BASE RATE**

First determine the appropriate Occupation and identify the applicable base rate from the Base Rate Chart. If there are multiple Occupations insured under the same policy the premium will be based upon the highest rated occupation.

#### **2. EMPLOYMENT STATUS FACTOR**

Identify the number of each of the following and apply the Employment Status factor to

the

number of each category.

| Employment Status               | Factor |
|---------------------------------|--------|
| Full Time Owners (GROUPS ONLY)  | 2.00   |
| Part Time Owners (GROUPS ONLY)  | 1.50   |
| Employed full time or part time | 1.00*  |
| Self Employed Full Time**       | 1.90*  |
| Self Employed Part Time**       | 1.40*  |

\* ISSA new business effective XX/XX/XXXX and after will only have one base rate regardless of employment category and hours. Existing business will have their prior rate structure grandfathered.

\*\*Physical Therapists that are Self-Employed (Full-Time and Part-Time) have their own base rate listed in the Base Rate by Occupation grid below, and are not subject to any additional self-employed full-time or part-time debit factor.

#### **3. STUDENTS**

Students, if enrolled full time in an accredited student program, are written on individual policies and rated at a flat premium charge of \$18 the first year and \$20 for each

subsequent renewal. A single per claim/aggregate limit of liability of \$1,000,000/\$3,000,000 at a zero deductible applies to all Student policies. PMA students are an agreed to exception of \$18 for all years.

4. Calculate the Employed Only Individual Premium as follows:

(Occupation Base Rate) (Employment status factor- *always is 1.0*) (Increase Limit Factor) (Prior Acts Factor) (State Factor of *default to 1.0*) (Claims Debit) (Disciplinary Debit) = Annual Employed Only Premium + 8% x Annual Employed Only Premium = Final Premium plus fees Rounded.

5. Calculate the Self Employed Full Time or Part Time Individual as follows:

[(Occupation Base Rate) (Self Employed Full Time Factor of **1.9 or 1.4** for Part Time) (Experience Factor) (Increase Limit Factor) (Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (Claims Debit) (Disciplinary Debit) (Risk Management Course Credit *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

6. Calculate the ISSA Individual first written XX/XX/XXX or later as follows:

[(Occupation Base Rate) (Experience Factor) (Increase Limit Factor) (Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (Claims Debit) (Disciplinary Debit) (Risk Management Course Credit *default to 1.0*) (Military Veteran Credit *default to 1.0*) (ISSA Specialty Level Factor *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

7. Calculate Group Premium as follows:

[Calculate Full Time Owners at Employed rate for Occupation X 2.00 and Part Time Owners at Employed rate for Occupation X 1.50, then total all for **Owner Total**] [Calculate all Employees (and any IC's we are charging for) using Employed rate for Occupation, then total all for **Employed Total**]

(**Owner Total + Employed Total**) (group step factor) (Increase Limit Factor at minimum deductible) (State Factor) (Claims Debit) (Disciplinary Debit) (Individual Risk Modifier) (Multiple Locations) (Gross Revenue Modifier) (staff size credit) = Total Premium Rounded + Additional Insured Premium Rounded = Total Premium with Optional Coverages + 8% x (Total Premium Rounded with Optional Coverages) = Final Premium plus fees Rounded.

- NOTE: Administrative Fee is currently 6% pending implementation of the new system, at which time it will be increased to 8%.

## B. RATING COMPONENTS

### 1. STAFF SIZE CREDITS (GROUPS ONLY)

1. Groups will be given credit based on the size of the firm:

|    |            |   |   |
|----|------------|---|---|
| a. | 3-5        | = | 4% credit                               |
| b. | 6-10       | = | 6% credit                               |
| c. | 11-15      | = | 8% credit                               |
| d. | 16-19      | = | 10% credit                              |
| e. | 20 or more | = | 15% credit (refer to Senior Underwriter |

### 2. LIMITS OF LIABILITY\*

The following limits are available with applicable Decrease/Increase Limits Factors (ILF's). The ILF should be applied to the rate for a \$1,000,000/\$3,000,000 policy to arrive at the correct base premium.

| Limit/Aggregate             | Factor |                                  |
|-----------------------------|--------|----------------------------------|
| \$100,000 / \$300,000       | .52    |                                  |
| \$250,000 / \$500,000       | .67    | *Shared Limit of Liability       |
| \$500,000 / \$500,000       | .83    | **Higher limits will be offered  |
| \$1,000,000 / \$1,000,000   | .91    | in Virginia to comply with state |
| \$1,000,000 / \$3,000,000   | 1.00   | requirements                     |
| \$2,000,000 / \$4,000,000** | 1.37   |                                  |

1. Prior Acts Factors for Individual Policies by Occupation Grouping:

| Group # | 1      | 2    | 3<br>NBCC |
|---------|--------|------|-----------|
| Year    | Factor |      |           |
| 1       | 1.00   | 1.00 | 1.00      |
| 2       | 1.14   | 1.14 | 1.00      |
| 3       | 1.26   | 1.19 | 1.00      |
| 4+      | 1.37   | 1.19 | 1.00      |

Prior Acts Factors for Group Policies:

| Year | Factor |
|------|--------|
| 1    | 1.00   |
| 2    | 1.14   |
| 3    | 1.26   |
| 4+   | 1.37   |

2. Risk Management credit of 10% will be given to those individuals who complete 4 hours or more of continuing education for Risk Management, Ethic or Legal or who obtained a secondary certification or licensure relevant to their profession within the past 12 months. Evidence of completion must be faxed in to receive the credit.

5. State

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

6. Multiple Locations:

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

7. Individual Risk Modifier:

| Characteristic        | Factor      |
|-----------------------|-------------|
| Type of clients       | 1.25 to .75 |
| Business Experience   | 1.25 to .75 |
| Supervision of staff  | 1.25 to .75 |
| Quality of Management | 1.25 to .75 |
| Total                 | 2.00 to .75 |

8. Claims Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to Claims paid or reserved in the last 5 years</b> | <b>1.00 to 2.50</b> |

9. Disciplinary Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to 2 or more Disciplinary Investigations or Adverse Disciplinary Rulings in the last 5 years</b> | <b>1.00 to 2.50</b> |

10. Gross Revenue Modifier

| Rule   | Factor              |
|--|---------------------|
| <b>Yes to annual gross revenue exceeds \$1,500,000</b> | <b>1.00 to 1.50</b> |

11. Military Veteran Credit – ISSA only

| Rule  | Factor             |
|---|--------------------|
| <b>ISSA - Yes to Military Veteran qualifies for one-time 10% discount; No will default to 1.00 (not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist <u>with</u> contact)</b> | <b>.90 to 1.00</b> |

12. ISSA Specialty Level Factor

| Rule   | Factor             |
|--|--------------------|
| <b>ISSA – “Elite” status qualifies for 10% credit; “Masters” status qualifies for 12.5% credit; “Associate Degree via ISSA” qualifies for 15% credit; No special status will default to 1.00. (not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist <u>with</u> contact)</b> | <b>.85 to 1.00</b> |

**C. BASE RATE BY OCCUPATION**

| Group 1                                    |           | Group 2  |           | Group 3   |           |
|--|-----------|--|-----------|---|-----------|
| Occupation                                 | Base Rate | Occupation   | Base Rate | Occupation  | Base Rate |
| Acupressurist                              | 220       | Adaptive Fitness Specialist                            | 127       | Massage Envy Massage Therapist – Part-Time                      | 67        |
| Art Therapist                              | 78        | Aerobics Instructor                                    | 127       | Massage Envy Massage Therapist – Full Time                      | 90        |
| Art Therapy Assistant                      | 78        | Athletic Trainer                                       | 127       | Massage Envy Aesthetician                                       | 175       |
| Art, Music, Dance, Recreational Therapists | 78        | BCC Career Coach                                       | 88        | NBCC Art Therapist  | 78        |
| Audiologist                                | 45        | BCC Executive Coach                                    | 88        | NBCC Art Therapist Assistant                                    | 78        |
| BANA Biofeedback Coach                     | 193       | BCC Health/Wellness Coach                              | 88        | NBCC Art, Music, Dance, Recreational Therapists                 | 78        |
| Bioethicist                                | 340       | BCC Life Coach   | 88        | NBCC Career Counselor   | 102       |
| Biofeedback Provider                       | 193       | BCC Personal Coach                                     | 88        | NBCC Case Worker/Manager  | 125       |
| CHCEA Homeopath Coach                      | 101       | Career Counselor                                       | 112       | NBCC Certified Marriage & Family Therapist                      | 102       |
| CMAA Massage Therapist                     | 120       | Case Worker/Manager                                    | 180       | NBCC College Admissions Counselor                               | 102       |
| College Admissions Counselor               | 101       | Certified Fitness Trainer                              | 127       | NBCC Counselor Educator   | 102       |
| Counselor Educator                         | 101       | Certified Marriage & Family Therapist                  | 102       | NBCC Dance Therapist  | 78        |
| Dance Therapist                            | 78        | CPR Trainer  | 70        | NBCC Dance Therapist Assistant                                  | 78        |
| Dance Therapy Assistant                    | 78        | CMAA Aerobics, Pilates, Yoga Instructor                | 127       | NBCC Drug & Alcohol Counselor                                   | 102       |
| Dietitian                                  | 51        | CMAA Athletic, Fitness, Golf Fitness, Personal Trainer | 127       | NBCC Licensed/Certified Professional Counselor                  | 102       |
| HCANA Relaxation Therapist                 | 68        | Dental Assistant                                       | 63        | NBCC Mental Health Counselor                                    | 102       |
| Histologic Technician                      | 62        | Dental Hygienist                                       | 63        | NBCC Music Therapist  | 78        |
| Hypnotherapist (non-entertainment)         | 131       | Endurance Fitness Trainer                              | 127       | NBCC Music Therapy Assistant                                    | 78        |
| LED Therapy                                | 68        | Executive Coach  | 88        | NBCC Occupational Therapist                                     | 75        |
| Massage Therapist                          | 120       | Fitness Therapist                                      | 127       | NBCC Occupational Therapy Assistant                             | 75        |
| Medical Dosimetrist                        | 193       | Fitness Therapy Assistant                              | 127       | NBCC Pastoral Counselor   | 102       |
| Medical Lab Technician                     | 62        | Golf Fitness Trainer                                   | 127       | NBCC Pastoral Counselor Assistant                               | 102       |
| Medical Technologist                       | 62        | HCANA Health Coach                                     | 88        | NBCC Patient Intake Technician                                  | 125       |
| Music Therapist                            | 78        | HCANA Light Therapist                                  | 88        | NBCC Recreational Therapist                                     | 78        |
| Music Therapy Assistant                    | 78        | Health & Safety Educator                               | 70        | NBCC Rehabilitation - Counselor/Therapist/Consultant            | 102       |
| NTANA Hypnotherapist                       | 131       | Holistic Fitness Trainer                               | 127       | NBCC Rehabilitation Counselor (including wage/loss projections) | 102       |

| Group 1                        |           | Group 2                       |           | Group 3                             |           |
|--------------------------------|-----------|-------------------------------|-----------|-------------------------------------|-----------|
| Occupation                     | Base Rate | Occupation                    | Base Rate | Occupation                          | Base Rate |
| NTANA Reflexology/Accupressure | 220       | Independent Living Instructor | 180       | NBCC Recreational Therapy Assistant | 78        |

|  |                    |   |             |                                      |     |
|--|--------------------|---|-------------|--------------------------------------|-----|
| Coach  |                    |   |             |                                      |     |
| NTANA Sound Therapist                        | 89                 | ISSA - Adaptive Fitness Specialist<br>*First written xx/xx/xxxx or later                              | 127<br>178* | NBCC School Counselor                | 102 |
| Occupational Therapist                       | 193                | ISSA - Aerobic Instructor<br>*First written xx/xx/xxxx or later                                       | 127<br>178* | NBCC Social Worker                   | 102 |
| Occupational Therapy Assistant               | 193                | ISSA - Athletic Trainer<br>*First written xx/xx/xxxx or later   | 127<br>178* | NBCC Wellness Counselor              | 125 |
| Optician                                     | 220                | ISSA - Certified Fitness Trainer<br>*First written xx/xx/xxxx or later                                | 127<br>178* | PMA Certified Pilates Instructor     | 110 |
| Optician Assistant                           | 193                | ISSA - Certified Personal Trainer<br>*First written xx/xx/xxxx or later                               | 127<br>178* | PMA Non-Certified Pilates Instructor | 130 |
| Patient Intake Technician                    | 120                | ISSA - Endurance Fitness Trainer<br>*First written xx/xx/xxxx or later                                | 127<br>178* | PMA Student                          | 18  |
| Pharmacist                                   | <del>340</del> 339 | ISSA - Fitness Therapy Assistant<br>*First written xx/xx/xxxx or later                                | 127<br>178* |                                      |     |
| Pharmacy Assistant/Technician                | 84                 | ISSA - Fitness Therapist<br>*First written xx/xx/xxxx or later  | 127<br>178* |                                      |     |
| Phlebotomy Technician                        | 62                 | ISSA - Golf Fitness Trainer<br>*First written xx/xx/xxxx or later                                     | 127<br>178* |                                      |     |
| Physical Therapist – Employed                | <del>122</del> 114 |   |             |                                      |     |
| Physical Therapist – Self Employed Full Time | <del>298</del> 255 |   |             |                                      |     |
| Physical Therapist – Self Employed Part Time | <del>220</del> 188 | ISSA - Holistic Fitness Trainer<br>*First written xx/xx/xxxx or later                                 | 127<br>178* |                                      |     |
| Physical Therapy Assistant                   | 49                 | ISSA - Martial Arts Conditioning Specialist no physical contact<br>*First written xx/xx/xxxx or later | 127<br>178* |                                      |     |
| Psychological Assistant/Associate            | <del>340</del> 339 |   |             |                                      |     |

| Group 1   |           | Group 2  |             | Group 3    |           |
|---|-----------|--|-------------|------------|-----------|
| Occupation  | Base Rate | Occupation   | Base Rate   | Occupation | Base Rate |
| Radiation Therapist   | 220       | ISSA - Martial Arts Conditioning Specialist with physical contact        | 175         |            |           |
| Radiological Technologist   | 193       | ISSA - Older Adult Fitness Trainer<br>*First written xx/xx/xxxx or later | 175<br>178* |            |           |
| Recreational Therapy Assistant  | 78        | ISSA Pilates Instructor  | 127         |            |           |
| Reflexologist   | 220       | ISSA - Water Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Counselor/Therapist/Consultant   | 220       | ISSA - Yoga Instructor   | 127         |            |           |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) | 340       | ISSA - Youth Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Engineer   | 220       | Job Coach/Job Developer/Job Trainer                                      | 88          |            |           |
| Rehabilitation Therapist Assistant  | 53        | Licensed/Certified Professional Counselor                                | 117         |            |           |
| Reiki Practitioner  | 68        | Life Coach   | 88          |            |           |
| Respiratory Therapist   | 53        | Martial Arts Conditioning Specialist no physical contact                 | 127         |            |           |
| Respiratory Therapist Assistant   | 53        | Martial Arts Conditioning Specialist with physical contact               | 175         |            |           |
| School Counselor  | 101       | NHMEA Health Coach   | 88          |            |           |
| Speech Pathologist  | 6245      | NHMEA Nutrition Coach  | 61          |            |           |
| Speech Therapist  | 50        | NHMEA Nutritionist   | 61          |            |           |
| Vocational Evaluator  | 220       | NTANA Stress Mgt Coach   | 88          |            |           |
| Work Adjustment Specialist  | 220       | Nutritionist   | 61          |            |           |
| Work Hardening/Functional Capacity/Assessment   | 220       | Older Adult Fitness Trainer  | 175<br>119  |            |           |
|   |           | Pastoral Counselor   |             |            |           |
|   |           | Pastoral Counseling Assistant  | 119         |            |           |
|   |           | Performance Nutrition Specialist   | 61          |            |           |

| Group 1    |           | Group 2        |           | Group 3    |           |
|------------|-----------|----------------|-----------|------------|-----------|
| Occupation | Base Rate | Occupation     | Base Rate | Occupation | Base Rate |
|            |           | Personal Coach | 88        |            |           |

|          |              |                       |     |  |  |
|----------|--------------|-----------------------|-----|--|--|
|          |              | Pilates Instructor    | 127 |  |  |
| <b>D</b> |              | Social Worker         | 112 |  |  |
|          |              | Transition Specialist | 179 |  |  |
|          | <b>O</b>     | Triathlon Coach       | 175 |  |  |
|          | <b>P</b>     | Water Fitness Trainer | 127 |  |  |
|          | <b>T</b>     | Wellness Counselor    | 175 |  |  |
|          | <b>I</b>     | Yoga Instructor       | 127 |  |  |
|          | <b>O</b>     | Youth Fitness Trainer | 127 |  |  |
|          | <b>N</b>     |                       |     |  |  |
|          | <b>A</b>     |                       |     |  |  |
|          | <b>L COV</b> |                       |     |  |  |

#### D. OPTIONAL COVERAGE & FEE CALCULATIONS

- 1. Additional Insured Calculation: for Groups:** \_\_\_\_\_# of additional insureds X 5% of the **Total Premium Rounded**, also rounded to the nearest dollar, subject to a \$250 each minimum charge for groups. **For Self-Employed Individuals:** a 1% surcharge will apply to all Self-Employed Individual policies.
- 2. Terrorism Calculation:** included at no additional charge in the premium quoted.
- 3. Association Membership Fee due annually:**  
 $6\% \times (\text{Total Premium Rounded} + \text{Optional Coverages}) = \text{Final Premium plus fees Rounded.}$

#### E. MINIMUM DEDUCTIBLES

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 Massage Therapists, NBCC Rehabilitation Counselor (Including Wage/Loss Projections),  
 Physical Therapist, Psychological Assistant/Associate, Reiki Practitioner, Employed Pharmacist  
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**\$1,000 Minimum Deductible: All Others**

#### F. ROUNDING RULE

The dollar amount for **Total Premium** or each optional exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- Any amount involving \$.50 or over will be rounded up to the next highest whole dollar.
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#### G. ADDITIONAL PREMIUM

- Pro-rate all changes requiring additional premium other than cancellation requested by insured which will then be calculated on a short rate basis subject to a 10% penalty.
- Additional premiums will be calculated based upon the rates and rules that are in effect as of the policy effective date.

#### H. RETURN PREMIUMS



1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium based upon the rates used at policy inception.
3. Compute return premium pro-rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance is reduced. When cancellation of an entire policy is requested by the Insured, return premium will be the customary short-rate. The only exception to that is if a policy is cancelled for non-payment of premium, the return premium will be calculated according to the customary pro-rata cancellation.

## Section 10: Audits

1. Lockton Affinity will conduct semi-annual self-audits to assure that program guidelines are being followed. There will be a minimum of 20 files per year audited.
2. The audit will follow our standard QAP process and review:
  - a. Underwriting
  - b. Regulatory Compliance
  - c. Assessment of Timeliness
  - d. Compliance with documented file requirements
  - e. Compliance with documented Underwriting Guidelines
3. Copies of audit reports are to be retained in-house by the Senior Underwriter for review by Underwriters at any time.

### Professional Liability Audit Worksheet

Product Line:                      Program:                      Insured Name:  
 Velocity #                      Eff Date                      Audit Date:                      Audited By:

| <b>Underwriting</b>   | Yes | No | <b>QAP QUESTION</b>                      | Comments |
|---|-----|----|--|----------|
| Application information is currently dated and sufficient to provide risk details?      |     |    | Application                              |          |
| Submission is acceptable as prescribed by program guidelines?                           |     |    | Underwriting Guidelines                  |          |
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| Additional information pursued if needed and documented                                 |     |    | Documentation                            |          |
| Coverage bound within program parameters?   |     |    | Underwriting Guidelines                  |          |
| Pricing within rating guidelines and Lockton Authority or properly referred to carrier? |     |    | Rating – Pricing Guidelines              |          |
| Prior acts coverage dates appropriate?  |     |    | Policy Issuance                          |          |
| Acceptable rating factors used and documented   |     |    | Rating – Rating & Documentation          |          |
| Carrier system properly loaded & documented   |     |    | Documentation, Policy Issuance or Rating |          |
| <b>Processing</b>   |     |    |  |          |
| Quote delivered timely  |     |    | Proposals                                |          |
| Quote complete, clear and concise   |     |    | Proposals                                |          |
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| Policy detail loaded accurately on Velocity   |     |    | Velocity – Detail Set                    |          |
| Dec page matches RTB and quoted terms   |     |    | Policy Issuance                          |          |
| Policy, Rating worksheet, underwriting  |     |    | Documentation                            |          |

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| notes and all relevant application documents attached to Velocity  |  |  |  |
| Loss run in Velocity if applicable   |  |  | Loss Information   |
| Carrier approval in Velocity if applicable   |  |  | Referral – External Company                              |
| Endorsements – were they completed correctly?  |  |  | Endorsements   |
| Non-Renewals and Cancellations Regulatory Requirements were met. (correct # days, acceptable reasons     |  |  | Non-Renewals and Cancellations – Regulatory Requirements |
| Non-Renewals and Cancellations Procedures were followed. (referrals and approvals, correct reason codes) |  |  | Non-Renewals and Cancellations - Procedures              |

## RATING RULES

### A. PREMIUM CALCULATION

1. BASE RATE

First determine the appropriate Occupation and identify the applicable base rate from the Base Rate Chart. If there are multiple Occupations insured under the same policy the premium will be based upon the highest rated occupation.

2. EMPLOYMENT STATUS FACTOR

Identify the number of each of the following and apply the Employment Status factor to

the

number of each category.

| Employment Status               | Factor |
|---------------------------------|--------|
| Full Time Owners (GROUPS ONLY)  | 2.00   |
| Part Time Owners (GROUPS ONLY)  | 1.50   |
| Employed full time or part time | 1.00*  |
| Self Employed Full Time**       | 1.90*  |
| Self Employed Part Time**       | 1.40*  |

\* ISSA new business effective XX/XX/XXXX and after will only have one base rate regardless of employment category and hours. Existing business will have their prior rate structure grandfathered.

\*\*Physical Therapists that are Self-Employed (Full-Time and Part-Time) have their own base rate listed in the Base Rate by Occupation grid below, and are not subject to any additional self-employed full-time or part-time debit factor.

3. STUDENTS

Students, if enrolled full time in an accredited student program, are written on individual policies and rated at a flat premium charge of \$18 the first year and \$20 for each subsequent renewal. A single per claim/aggregate limit of liability of \$1,000,000/\$3,000,000 at a zero deductible applies to all Student policies. PMA students are an agreed to exception of \$18 for all years.

4. Calculate the Employed Only Individual Premium as follows:

(Occupation Base Rate) (Employment status factor- *always is 1.0*) (Increase Limit Factor) ( Prior Acts Factor) (State Factor of *default to 1.0*) (Claims Debit) (Disciplinary Debit) = Annual Employed Only Premium + 8% x Annual Employed Only Premium = Final Premium plus fees Rounded.

5. Calculate the Self Employed Full Time or Part Time Individual as follows:

[(Occupation Base Rate) (Self Employed Full Time Factor **of 1.9 or 1.4** for Part Time) ( Experience Factor) (Increase Limit Factor) ( Prior Acts Factor)( State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) ( Claims Debit) ( Disciplinary Debit) ( Risk Management Course Credit *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

6. Calculate the ISSA Individual first written XX/XX/XXX or later as follows:

[(Occupation Base Rate) (Experience Factor) (Increase Limit Factor) ( Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (

Claims Debit) (Disciplinary Debit) ( Risk Management Course Credit *default to 1.0* ) (Military Veteran Credit *default to 1.0*) (ISSA Specialty Level Factor *default to 1.0*) (1% Additional Insured surcharge) = **Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.**

7. Calculate Group Premium as follows:

[Calculate Full Time Owners at Employed rate for Occupation X 2.00 and Part Time Owners at Employed rate for Occupation X 1.50, then total all for **Owner Total**] [Calculate all Employees (and any IC's we are charging for) using Employed rate for Occupation, then total all for **Employed Total**]

(**Owner Total + Employed Total**) (group step factor) (Increase Limit Factor at minimum deductible) (State Factor) (Claims Debit) (Disciplinary Debit) (Individual Risk Modifier) (Multiple Locations) (Gross Revenue Modifier) (staff size credit) = **Total Premium Rounded + Additional Insured Premium Rounded = Total Premium with Optional Coverages + 8% x ( Total Premium Rounded with Optional Coverages) = Final Premium plus fees Rounded.**

- NOTE: Administrative Fee is currently 6% pending implementation of the new system, at which time it will be increased to 8%.

## B. RATING COMPONENTS

### 1. STAFF SIZE CREDITS (GROUPS ONLY)

1. Groups will be given credit based on the size of the firm:
  - a. 3-5 = 4% credit
  - b. 6-10 = 6% credit
  - c. 11-15 = 8% credit
  - d. 16-19 = 10% credit
  - e. 20 or more = 15% credit (refer to Senior Underwriter)

### 2. LIMITS OF LIABILITY\*

The following limits are available with applicable Decrease/Increase Limits Factors (ILF's). The ILF should be applied to the rate for a \$1,000,000/\$3,000,000 policy to arrive at the correct base premium.

| Limit/Aggregate             | Factor |                                  |
|-----------------------------|--------|----------------------------------|
| \$100,000 / \$300,000       | .52    |                                  |
| \$250,000 / \$500,000       | .67    | *Shared Limit of Liability       |
| \$500,000 / \$500,000       | .83    | **Higher limits will be offered  |
| \$1,000,000 / \$1,000,000   | .91    | in Virginia to comply with state |
| \$1,000,000 / \$3,000,000   | 1.00   | requirements                     |
| \$2,000,000 / \$4,000,000** | 1.37   |                                  |

### 1. Prior Acts Factors for Individual Policies by Occupation Grouping:

| Group # | 1      | 2    | 3<br>NBCC |
|---------|--------|------|-----------|
| Year    | Factor |      |           |
| 1       | 1.00   | 1.00 | 1.00      |
| 2       | 1.14   | 1.14 | 1.00      |
| 3       | 1.26   | 1.19 | 1.00      |
| 4+      | 1.37   | 1.19 | 1.00      |

Prior Acts Factors for Group Policies:

| Year | Factor |
|------|--------|
| 1    | 1.00   |
| 2    | 1.14   |
| 3    | 1.26   |
| 4+   | 1.37   |

2. Risk Management credit of 10% will be given to those individuals who complete 4 hours or more of continuing education for Risk Management, Ethic or Legal or who obtained a secondary certification or licensure relevant to their profession within the past 12 months. Evidence of completion must be faxed in to receive the credit.

5. State

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

6. Multiple Locations:

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

7. Individual Risk Modifier:

| Characteristic        | Factor      |
|-----------------------|-------------|
| Type of clients       | 1.25 to .75 |
| Business Experience   | 1.25 to .75 |
| Supervision of staff  | 1.25 to .75 |
| Quality of Management | 1.25 to .75 |
| Total                 | 2.00 to .75 |

8. Claims Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to Claims paid or reserved in the last 5 years</b> | <b>1.00 to 2.50</b> |

9. Disciplinary Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to 2 or more Disciplinary Investigations or Adverse Disciplinary Rulings in the last 5 years</b> | <b>1.00 to 2.50</b> |

10. Gross Revenue Modifier

| Rule   | Factor              |
|--|---------------------|
| <b>Yes to annual gross revenue exceeds \$1,500,000</b> | <b>1.00 to 1.50</b> |

11. Military Veteran Credit – ISSA only

| Rule | Factor |
|------|--------|
|------|--------|

|  |                    |
|--|--------------------|
| <b>ISSA - Yes to Military Veteran qualifies for one-time 10% discount; No will default to 1.00<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.90 to 1.00</b> |
|--|--------------------|

12. ISSA Specialty Level Factor

| <b>Rule</b>   | <b>Factor</b>      |
|---|--------------------|
| <b>ISSA – “Elite” status qualifies for 10% credit;<br/>“Masters” status qualifies for 12.5% credit;<br/>“Associate Degree via ISSA” qualifies for 15% credit; No special status will default to 1.00.<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.85 to 1.00</b> |

**C. BASE RATE BY OCCUPATION**

| Group 1                                    |           | Group 2  |           | Group 3   |           |
|--|-----------|--|-----------|---|-----------|
| Occupation                                 | Base Rate | Occupation   | Base Rate | Occupation  | Base Rate |
| Acupressurist                              | 220       | Adaptive Fitness Specialist                            | 127       | Massage Envy Massage Therapist – Part-Time                      | 67        |
| Art Therapist                              | 78        | Aerobics Instructor                                    | 127       | Massage Envy Massage Therapist – Full Time                      | 90        |
| Art Therapy Assistant                      | 78        | Athletic Trainer                                       | 127       | Massage Envy Aesthetician                                       | 175       |
| Art, Music, Dance, Recreational Therapists | 78        | BCC Career Coach                                       | 88        | NBCC Art Therapist  | 78        |
| Audiologist                                | 45        | BCC Executive Coach                                    | 88        | NBCC Art Therapist Assistant                                    | 78        |
| BANA Biofeedback Coach                     | 193       | BCC Health/Wellness Coach                              | 88        | NBCC Art, Music, Dance, Recreational Therapists                 | 78        |
| Bioethicist                                | 340       | BCC Life Coach   | 88        | NBCC Career Counselor   | 102       |
| Biofeedback Provider                       | 193       | BCC Personal Coach                                     | 88        | NBCC Case Worker/Manager  | 125       |
| CHCEA Homeopath Coach                      | 101       | Career Counselor                                       | 112       | NBCC Certified Marriage & Family Therapist                      | 102       |
| CMAA Massage Therapist                     | 120       | Case Worker/Manager                                    | 180       | NBCC College Admissions Counselor                               | 102       |
| College Admissions Counselor               | 101       | Certified Fitness Trainer                              | 127       | NBCC Counselor Educator   | 102       |
| Counselor Educator                         | 101       | Certified Marriage & Family Therapist                  | 102       | NBCC Dance Therapist  | 78        |
| Dance Therapist                            | 78        | CPR Trainer  | 70        | NBCC Dance Therapist Assistant                                  | 78        |
| Dance Therapy Assistant                    | 78        | CMAA Aerobics, Pilates, Yoga Instructor                | 127       | NBCC Drug & Alcohol Counselor                                   | 102       |
| Dietitian                                  | 51        | CMAA Athletic, Fitness, Golf Fitness, Personal Trainer | 127       | NBCC Licensed/Certified Professional Counselor                  | 102       |
| HCANA Relaxation Therapist                 | 68        | Dental Assistant                                       | 63        | NBCC Mental Health Counselor                                    | 102       |
| Histologic Technician                      | 62        | Dental Hygienist                                       | 63        | NBCC Music Therapist  | 78        |
| Hypnotherapist (non-entertainment)         | 131       | Endurance Fitness Trainer                              | 127       | NBCC Music Therapy Assistant                                    | 78        |
| LED Therapy                                | 68        | Executive Coach  | 88        | NBCC Occupational Therapist                                     | 75        |
| Massage Therapist                          | 120       | Fitness Therapist                                      | 127       | NBCC Occupational Therapy Assistant                             | 75        |
| Medical Dosimetrist                        | 193       | Fitness Therapy Assistant                              | 127       | NBCC Pastoral Counselor   | 102       |
| Medical Lab Technician                     | 62        | Golf Fitness Trainer                                   | 127       | NBCC Pastoral Counselor Assistant                               | 102       |
| Medical Technologist                       | 62        | HCANA Health Coach                                     | 88        | NBCC Patient Intake Technician                                  | 125       |
| Music Therapist                            | 78        | HCANA Light Therapist                                  | 88        | NBCC Recreational Therapist                                     | 78        |
| Music Therapy Assistant                    | 78        | Health & Safety Educator                               | 70        | NBCC Rehabilitation - Counselor/Therapist/Consultant            | 102       |
| NTANA Hypnotherapist                       | 131       | Holistic Fitness Trainer                               | 127       | NBCC Rehabilitation Counselor (including wage/loss projections) | 102       |

| Group 1                        |           | Group 2                       |           | Group 3                             |           |
|--------------------------------|-----------|-------------------------------|-----------|-------------------------------------|-----------|
| Occupation                     | Base Rate | Occupation                    | Base Rate | Occupation                          | Base Rate |
| NTANA Reflexology/Accupressure | 220       | Independent Living Instructor | 180       | NBCC Recreational Therapy Assistant | 78        |



|  |     |  |             |                                      |     |
|--|-----|--|-------------|--------------------------------------|-----|
| Coach  |     |  |             |                                      |     |
| NTANA Sound Therapist                        | 89  | ISSA - Adaptive Fitness Specialist<br>*First written<br>xx/xx/xxxx or later                              | 127<br>178* | NBCC School Counselor                | 102 |
| Occupational Therapist                       | 193 | ISSA - Aerobic Instructor<br>*First written<br>xx/xx/xxxx or later                                       | 127<br>178* | NBCC Social Worker                   | 102 |
| Occupational Therapy Assistant               | 193 | ISSA - Athletic Trainer<br>*First written<br>xx/xx/xxxx or later   | 127<br>178* | NBCC Wellness Counselor              | 125 |
| Optician                                     | 220 | ISSA - Certified Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Certified Pilates Instructor     | 110 |
| Optician Assistant                           | 193 | ISSA - Certified Personal Trainer<br>*First written<br>xx/xx/xxxx or later                               | 127<br>178* | PMA Non-Certified Pilates Instructor | 130 |
| Patient Intake Technician                    | 120 | ISSA - Endurance Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Student                          | 18  |
| Pharmacist                                   | 339 | ISSA - Fitness Therapy Assistant<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* |                                      |     |
| Pharmacy Assistant/Technician                | 84  | ISSA - Fitness Therapist<br>*First written<br>xx/xx/xxxx or later  | 127<br>178* |                                      |     |
| Phlebotomy Technician                        | 62  | ISSA - Golf Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                     | 127<br>178* |                                      |     |
| Physical Therapist – Employed                | 114 |  |             |                                      |     |
| Physical Therapist – Self Employed Full Time | 255 | ISSA - Holistic Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                 | 127<br>178* |                                      |     |
| Physical Therapist – Self Employed Part Time | 188 |  |             |                                      |     |
| Physical Therapy Assistant                   | 49  | ISSA - Martial Arts Conditioning Specialist no physical contact<br>*First written<br>xx/xx/xxxx or later | 127<br>178* |                                      |     |
| Psychological Assistant/Associate            | 339 |  |             |                                      |     |

| Group 1   |           | Group 2  |             | Group 3    |           |
|---|-----------|--|-------------|------------|-----------|
| Occupation  | Base Rate | Occupation   | Base Rate   | Occupation | Base Rate |
| Radiation Therapist   | 220       | ISSA - Martial Arts Conditioning Specialist with physical contact        | 175         |            |           |
| Radiological Technologist   | 193       | ISSA - Older Adult Fitness Trainer<br>*First written xx/xx/xxxx or later | 175<br>178* |            |           |
| Recreational Therapy Assistant  | 78        | ISSA Pilates Instructor  | 127         |            |           |
| Reflexologist   | 220       | ISSA - Water Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Counselor/Therapist/Consultant   | 220       | ISSA - Yoga Instructor   | 127         |            |           |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) | 340       | ISSA - Youth Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Engineer   | 220       | Job Coach/Job Developer/Job Trainer                                      | 88          |            |           |
| Rehabilitation Therapist Assistant  | 53        | Licensed/Certified Professional Counselor                                | 117         |            |           |
| Reiki Practitioner  | 68        | Life Coach   | 88          |            |           |
| Respiratory Therapist   | 53        | Martial Arts Conditioning Specialist no physical contact                 | 127         |            |           |
| Respiratory Therapist Assistant   | 53        | Martial Arts Conditioning Specialist with physical contact               | 175         |            |           |
| School Counselor  | 101       | NHMEA Health Coach   | 88          |            |           |
| Speech Pathologist  | 45        | NHMEA Nutrition Coach  | 61          |            |           |
| Speech Therapist  | 50        | NHMEA Nutritionist   | 61          |            |           |
| Vocational Evaluator  | 220       | NTANA Stress Mgt Coach   | 88          |            |           |
| Work Adjustment Specialist  | 220       | Nutritionist   | 61          |            |           |
| Work Hardening/Functional Capacity/Assessment   | 220       | Older Adult Fitness Trainer  | 175<br>119  |            |           |
|   |           | Pastoral Counselor   |             |            |           |
|   |           | Pastoral Counseling Assistant  | 119         |            |           |
|   |           | Performance Nutrition Specialist   | 61          |            |           |

| Group 1    |           | Group 2        |           | Group 3    |           |
|------------|-----------|----------------|-----------|------------|-----------|
| Occupation | Base Rate | Occupation     | Base Rate | Occupation | Base Rate |
|            |           | Personal Coach | 88        |            |           |

|          |              |                       |     |  |  |
|----------|--------------|-----------------------|-----|--|--|
|          |              | Pilates Instructor    | 127 |  |  |
| <b>D</b> |              | Social Worker         | 112 |  |  |
|          |              | Transition Specialist | 179 |  |  |
|          | <b>O</b>     | Triathlon Coach       | 175 |  |  |
|          | <b>P</b>     | Water Fitness Trainer | 127 |  |  |
|          | <b>T</b>     | Wellness Counselor    | 175 |  |  |
|          | <b>I</b>     | Yoga Instructor       | 127 |  |  |
|          | <b>O</b>     | Youth Fitness Trainer | 127 |  |  |
|          | <b>N</b>     |                       |     |  |  |
|          | <b>A</b>     |                       |     |  |  |
|          | <b>L COV</b> |                       |     |  |  |

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### Professional Liability Audit Worksheet

Product Line:                      Program:                      Insured Name:  
 Velocity #                      Eff Date                      Audit Date:                      Audited By:

| <b>Underwriting</b>   | Yes | No | <b>QAP QUESTION</b>                      | Comments |
|---|-----|----|--|----------|
| Application information is currently dated and sufficient to provide risk details?      |     |    | Application                              |          |
| Submission is acceptable as prescribed by program guidelines?                           |     |    | Underwriting Guidelines                  |          |
| Submission is within Lockton authority or properly referred to carrier?                 |     |    | Underwriting Guidelines                  |          |
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| Prior acts coverage dates appropriate?  |     |    | Policy Issuance                          |          |
| Acceptable rating factors used and documented   |     |    | Rating – Rating & Documentation          |          |
| Carrier system properly loaded & documented   |     |    | Documentation, Policy Issuance or Rating |          |
| <b>Processing</b>   |     |    |  |          |
| Quote delivered timely  |     |    | Proposals                                |          |
| Quote complete, clear and concise   |     |    | Proposals                                |          |
| RTB processed within 48 hours   |     |    | Binding – Request to Bind                |          |
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| Policy detail loaded accurately on Velocity   |     |    | Velocity – Detail Set                    |          |
| Dec page matches RTB and quoted terms   |     |    | Policy Issuance                          |          |
| Policy, Rating worksheet, underwriting  |     |    | Documentation                            |          |

|  |  |  |  |
|--|--|--|--|
| notes and all relevant application documents attached to Velocity  |  |  |  |
| Loss run in Velocity if applicable   |  |  | Loss Information   |
| Carrier approval in Velocity if applicable   |  |  | Referral – External Company                              |
| Endorsements – were they completed correctly?  |  |  | Endorsements   |
| Non-Renewals and Cancellations Regulatory Requirements were met. (correct # days, acceptable reasons     |  |  | Non-Renewals and Cancellations – Regulatory Requirements |
| Non-Renewals and Cancellations Procedures were followed. (referrals and approvals, correct reason codes) |  |  | Non-Renewals and Cancellations - Procedures              |

|                      |  |                 |                                 |
|----------------------|--|-----------------|---------------------------------|
| State:               | Illinois   | Filing Company: | Underwriters at Lloyd's, London |
| TOI/Sub-TOI:         | 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations |                 |                                 |
| Product Name:        | Medical Professional Liability Rate Filing                         |                 |                                 |
| Project Name/Number: | /LII0482010814R  |                 |                                 |

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| Creation Date | Schedule Item Status | Schedule | Schedule Item Name | Replacement Creation Date | Attached Document(s)                            |
|---------------|----------------------|----------|--------------------|---------------------------|---|
| 01/21/2014    |                      | Rate     | Rating Rules       | 01/22/2014                | viewScheduleItemAttachment.pdf (Superceded)     |
| 01/16/2014    |                      | Rate     | Rating Rules       | 01/21/2014                | Rating Rules section of manual.pdf (Superceded) |

## RATING RULES

### A. PREMIUM CALCULATION

1. BASE RATE

First determine the appropriate Occupation and identify the applicable base rate from the Base Rate Chart. If there are multiple Occupations insured under the same policy the premium will be based upon the highest rated occupation.

2. EMPLOYMENT STATUS FACTOR

Identify the number of each of the following and apply the Employment Status factor to

the

number of each category.

| Employment Status               | Factor |
|---------------------------------|--------|
| Full Time Owners (GROUPS ONLY)  | 2.00   |
| Part Time Owners (GROUPS ONLY)  | 1.50   |
| Employed full time or part time | 1.00*  |
| Self Employed Full Time**       | 1.90*  |
| Self Employed Part Time**       | 1.40*  |

\* ISSA new business effective XX/XX/XXXX and after will only have one base rate regardless of employment category and hours. Existing business will have their prior rate structure grandfathered.

\*\*Physical Therapists that are Self-Employed (Full-Time and Part-Time) have their own base rate listed in the Base Rate by Occupation grid below, and are not subject to any additional self-employed full-time or part-time debit factor.

3. STUDENTS

Students, if enrolled full time in an accredited student program, are written on individual policies and rated at a flat premium charge of \$18 the first year and \$20 for each subsequent renewal. A single per claim/aggregate limit of liability of \$1,000,000/\$3,000,000 at a zero deductible applies to all Student policies. PMA students are an agreed to exception of \$18 for all years.

4. Calculate the Employed Only Individual Premium as follows:

(Occupation Base Rate) (Employment status factor- *always is 1.0*) (Increase Limit Factor) ( Prior Acts Factor) (State Factor of *default to 1.0*) (Claims Debit) (Disciplinary Debit) = Annual Employed Only Premium + 8% x Annual Employed Only Premium = Final Premium plus fees Rounded.

5. Calculate the Self Employed Full Time or Part Time Individual as follows:

[(Occupation Base Rate) (Self Employed Full Time Factor **of 1.9 or 1.4** for Part Time) ( Experience Factor) (Increase Limit Factor) ( Prior Acts Factor)( State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) ( Claims Debit) ( Disciplinary Debit) ( Risk Management Course Credit *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

6. Calculate the ISSA Individual first written XX/XX/XXX or later as follows:

[(Occupation Base Rate) (Experience Factor) (Increase Limit Factor) ( Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (



Claims Debit) (Disciplinary Debit) ( Risk Management Course Credit *default to 1.0* ) (Military Veteran Credit *default to 1.0*) (ISSA Specialty Level Factor *default to 1.0*) (1% Additional Insured surcharge) = **Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.**

7. Calculate Group Premium as follows:

[Calculate Full Time Owners at Employed rate for Occupation X 2.00 and Part Time Owners at Employed rate for Occupation X 1.50, then total all for **Owner Total**] [Calculate all Employees (and any IC's we are charging for) using Employed rate for Occupation, then total all for **Employed Total**]

(**Owner Total + Employed Total**) (group step factor) (Increase Limit Factor at minimum deductible) (State Factor) (Claims Debit) (Disciplinary Debit) (Individual Risk Modifier) (Multiple Locations) (Gross Revenue Modifier) (staff size credit) = **Total Premium Rounded + Additional Insured Premium Rounded = Total Premium with Optional Coverages + 8% x ( Total Premium Rounded with Optional Coverages) = Final Premium plus fees Rounded.**

- NOTE: Administrative Fee is currently 6% pending implementation of the new system, at which time it will be increased to 8%.

## B. RATING COMPONENTS

### 1. STAFF SIZE CREDITS (GROUPS ONLY)

- Groups will be given credit based on the size of the firm:
  - 3-5 = 4% credit
  - 6-10 = 6% credit
  - 11-15 = 8% credit
  - 16-19 = 10% credit
  - 20 or more = 15% credit (refer to Senior Underwriter)

### 2. LIMITS OF LIABILITY\*

The following limits are available with applicable Decrease/Increase Limits Factors (ILF's). The ILF should be applied to the rate for a \$1,000,000/\$3,000,000 policy to arrive at the correct base premium.

| Limit/Aggregate             | Factor |                                  |
|-----------------------------|--------|----------------------------------|
| \$100,000 / \$300,000       | .52    |                                  |
| \$250,000 / \$500,000       | .67    | *Shared Limit of Liability       |
| \$500,000 / \$500,000       | .83    | **Higher limits will be offered  |
| \$1,000,000 / \$1,000,000   | .91    | in Virginia to comply with state |
| \$1,000,000 / \$3,000,000   | 1.00   | requirements                     |
| \$2,000,000 / \$4,000,000** | 1.37   |                                  |

### 1. Prior Acts Factors for Individual Policies by Occupation Grouping:

| Group # | 1      | 2    | 3<br>NBCC |
|---------|--------|------|-----------|
| Year    | Factor |      |           |
| 1       | 1.00   | 1.00 | 1.00      |
| 2       | 1.14   | 1.14 | 1.00      |
| 3       | 1.26   | 1.19 | 1.00      |
| 4+      | 1.37   | 1.19 | 1.00      |

Prior Acts Factors for Group Policies:

| Year | Factor |
|------|--------|
| 1    | 1.00   |
| 2    | 1.14   |
| 3    | 1.26   |
| 4+   | 1.37   |

2. Risk Management credit of 10% will be given to those individuals who complete 4 hours or more of continuing education for Risk Management, Ethic or Legal or who obtained a secondary certification or licensure relevant to their profession within the past 12 months. Evidence of completion must be faxed in to receive the credit.

5. State

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

6. Multiple Locations:

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

7. Individual Risk Modifier:

| Characteristic        | Factor      |
|-----------------------|-------------|
| Type of clients       | 1.25 to .75 |
| Business Experience   | 1.25 to .75 |
| Supervision of staff  | 1.25 to .75 |
| Quality of Management | 1.25 to .75 |
| Total                 | 2.00 to .75 |

8. Claims Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to Claims paid or reserved in the last 5 years</b> | <b>1.00 to 2.50</b> |

9. Disciplinary Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to 2 or more Disciplinary Investigations or Adverse Disciplinary Rulings in the last 5 years</b> | <b>1.00 to 2.50</b> |

10. Gross Revenue Modifier

| Rule   | Factor              |
|--|---------------------|
| <b>Yes to annual gross revenue exceeds \$1,500,000</b> | <b>1.00 to 1.50</b> |

11. Military Veteran Credit – ISSA only

| Rule | Factor |
|------|--------|
|------|--------|

|  |                    |
|--|--------------------|
| <b>ISSA - Yes to Military Veteran qualifies for one-time 10% discount; No will default to 1.00<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.90 to 1.00</b> |
|--|--------------------|

12. ISSA Specialty Level Factor

| <b>Rule</b>   | <b>Factor</b>      |
|---|--------------------|
| <b>ISSA – “Elite” status qualifies for 10% credit;<br/>“Masters” status qualifies for 12.5% credit;<br/>“Associate Degree via ISSA” qualifies for 15% credit; No special status will default to 1.00.<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.85 to 1.00</b> |

**C. BASE RATE BY OCCUPATION**

| Group 1                                    |           | Group 2  |           | Group 3   |           |
|--|-----------|--|-----------|---|-----------|
| Occupation                                 | Base Rate | Occupation   | Base Rate | Occupation  | Base Rate |
| Acupressurist                              | 220       | Adaptive Fitness Specialist                            | 127       | Massage Envy Massage Therapist – Part-Time                      | 67        |
| Art Therapist                              | 78        | Aerobics Instructor                                    | 127       | Massage Envy Massage Therapist – Full Time                      | 90        |
| Art Therapy Assistant                      | 78        | Athletic Trainer                                       | 127       | Massage Envy Aesthetician                                       | 175       |
| Art, Music, Dance, Recreational Therapists | 78        | BCC Career Coach                                       | 88        | NBCC Art Therapist  | 78        |
| Audiologist                                | 45        | BCC Executive Coach                                    | 88        | NBCC Art Therapist Assistant                                    | 78        |
| BANA Biofeedback Coach                     | 193       | BCC Health/Wellness Coach                              | 88        | NBCC Art, Music, Dance, Recreational Therapists                 | 78        |
| Bioethicist                                | 340       | BCC Life Coach   | 88        | NBCC Career Counselor   | 102       |
| Biofeedback Provider                       | 193       | BCC Personal Coach                                     | 88        | NBCC Case Worker/Manager  | 125       |
| CHCEA Homeopath Coach                      | 101       | Career Counselor                                       | 112       | NBCC Certified Marriage & Family Therapist                      | 102       |
| CMAA Massage Therapist                     | 120       | Case Worker/Manager                                    | 180       | NBCC College Admissions Counselor                               | 102       |
| College Admissions Counselor               | 101       | Certified Fitness Trainer                              | 127       | NBCC Counselor Educator   | 102       |
| Counselor Educator                         | 101       | Certified Marriage & Family Therapist                  | 102       | NBCC Dance Therapist  | 78        |
| Dance Therapist                            | 78        | CPR Trainer  | 70        | NBCC Dance Therapist Assistant                                  | 78        |
| Dance Therapy Assistant                    | 78        | CMAA Aerobics, Pilates, Yoga Instructor                | 127       | NBCC Drug & Alcohol Counselor                                   | 102       |
| Dietitian                                  | 51        | CMAA Athletic, Fitness, Golf Fitness, Personal Trainer | 127       | NBCC Licensed/Certified Professional Counselor                  | 102       |
| HCANA Relaxation Therapist                 | 68        | Dental Assistant                                       | 63        | NBCC Mental Health Counselor                                    | 102       |
| Histologic Technician                      | 62        | Dental Hygienist                                       | 63        | NBCC Music Therapist  | 78        |
| Hypnotherapist (non-entertainment)         | 131       | Endurance Fitness Trainer                              | 127       | NBCC Music Therapy Assistant                                    | 78        |
| LED Therapy                                | 68        | Executive Coach  | 88        | NBCC Occupational Therapist                                     | 75        |
| Massage Therapist                          | 120       | Fitness Therapist                                      | 127       | NBCC Occupational Therapy Assistant                             | 75        |
| Medical Dosimetrist                        | 193       | Fitness Therapy Assistant                              | 127       | NBCC Pastoral Counselor   | 102       |
| Medical Lab Technician                     | 62        | Golf Fitness Trainer                                   | 127       | NBCC Pastoral Counselor Assistant                               | 102       |
| Medical Technologist                       | 62        | HCANA Health Coach                                     | 88        | NBCC Patient Intake Technician                                  | 125       |
| Music Therapist                            | 78        | HCANA Light Therapist                                  | 88        | NBCC Recreational Therapist                                     | 78        |
| Music Therapy Assistant                    | 78        | Health & Safety Educator                               | 70        | NBCC Rehabilitation - Counselor/Therapist/Consultant            | 102       |
| NTANA Hypnotherapist                       | 131       | Holistic Fitness Trainer                               | 127       | NBCC Rehabilitation Counselor (including wage/loss projections) | 102       |

| Group 1                        |           | Group 2                       |           | Group 3                             |           |
|--------------------------------|-----------|-------------------------------|-----------|-------------------------------------|-----------|
| Occupation                     | Base Rate | Occupation                    | Base Rate | Occupation                          | Base Rate |
| NTANA Reflexology/Accupressure | 220       | Independent Living Instructor | 180       | NBCC Recreational Therapy Assistant | 78        |

|  |     |  |             |                                      |     |
|--|-----|--|-------------|--------------------------------------|-----|
| Coach  |     |  |             |                                      |     |
| NTANA Sound Therapist                        | 89  | ISSA - Adaptive Fitness Specialist<br>*First written<br>xx/xx/xxxx or later                              | 127<br>178* | NBCC School Counselor                | 102 |
| Occupational Therapist                       | 193 | ISSA - Aerobic Instructor<br>*First written<br>xx/xx/xxxx or later                                       | 127<br>178* | NBCC Social Worker                   | 102 |
| Occupational Therapy Assistant               | 193 | ISSA - Athletic Trainer<br>*First written<br>xx/xx/xxxx or later   | 127<br>178* | NBCC Wellness Counselor              | 125 |
| Optician                                     | 220 | ISSA - Certified Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Certified Pilates Instructor     | 110 |
| Optician Assistant                           | 193 | ISSA - Certified Personal Trainer<br>*First written<br>xx/xx/xxxx or later                               | 127<br>178* | PMA Non-Certified Pilates Instructor | 130 |
| Patient Intake Technician                    | 120 | ISSA - Endurance Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Student                          | 18  |
| Pharmacist                                   | 339 | ISSA - Fitness Therapy Assistant<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* |                                      |     |
| Pharmacy Assistant/Technician                | 84  | ISSA - Fitness Therapist<br>*First written<br>xx/xx/xxxx or later  | 127<br>178* |                                      |     |
| Phlebotomy Technician                        | 62  | ISSA - Golf Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                     | 127<br>178* |                                      |     |
| Physical Therapist – Employed                | 114 |  |             |                                      |     |
| Physical Therapist – Self Employed Full Time | 255 | ISSA - Holistic Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                 | 127<br>178* |                                      |     |
| Physical Therapist – Self Employed Part Time | 188 |  |             |                                      |     |
| Physical Therapy Assistant                   | 49  | ISSA - Martial Arts Conditioning Specialist no physical contact<br>*First written<br>xx/xx/xxxx or later | 127<br>178* |                                      |     |
| Psychological Assistant/Associate            | 339 |  |             |                                      |     |

| Group 1   |           | Group 2  |             | Group 3    |           |
|---|-----------|--|-------------|------------|-----------|
| Occupation  | Base Rate | Occupation   | Base Rate   | Occupation | Base Rate |
| Radiation Therapist   | 220       | ISSA - Martial Arts Conditioning Specialist with physical contact        | 175         |            |           |
| Radiological Technologist   | 193       | ISSA - Older Adult Fitness Trainer<br>*First written xx/xx/xxxx or later | 175<br>178* |            |           |
| Recreational Therapy Assistant  | 78        | ISSA Pilates Instructor  | 127         |            |           |
| Reflexologist   | 220       | ISSA - Water Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Counselor/Therapist/Consultant   | 220       | ISSA - Yoga Instructor   | 127         |            |           |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) | 340       | ISSA - Youth Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Engineer   | 220       | Job Coach/Job Developer/Job Trainer                                      | 88          |            |           |
| Rehabilitation Therapist Assistant  | 53        | Licensed/Certified Professional Counselor                                | 117         |            |           |
| Reiki Practitioner  | 68        | Life Coach   | 88          |            |           |
| Respiratory Therapist   | 53        | Martial Arts Conditioning Specialist no physical contact                 | 127         |            |           |
| Respiratory Therapist Assistant   | 53        | Martial Arts Conditioning Specialist with physical contact               | 175         |            |           |
| School Counselor  | 101       | NHMEA Health Coach   | 88          |            |           |
| Speech Pathologist  | 45        | NHMEA Nutrition Coach  | 61          |            |           |
| Speech Therapist  | 50        | NHMEA Nutritionist   | 61          |            |           |
| Vocational Evaluator  | 220       | NTANA Stress Mgt Coach   | 88          |            |           |
| Work Adjustment Specialist  | 220       | Nutritionist   | 61          |            |           |
| Work Hardening/Functional Capacity/Assessment   | 220       | Older Adult Fitness Trainer  | 175<br>119  |            |           |
|   |           | Pastoral Counselor   |             |            |           |
|   |           | Pastoral Counseling Assistant  | 119         |            |           |
|   |           | Performance Nutrition Specialist   | 61          |            |           |

| Group 1    |           | Group 2        |           | Group 3    |           |
|------------|-----------|----------------|-----------|------------|-----------|
| Occupation | Base Rate | Occupation     | Base Rate | Occupation | Base Rate |
|            |           | Personal Coach | 88        |            |           |

|          |              |                       |     |  |  |
|----------|--------------|-----------------------|-----|--|--|
|          |              | Pilates Instructor    | 127 |  |  |
| <b>D</b> |              | Social Worker         | 112 |  |  |
|          |              | Transition Specialist | 179 |  |  |
|          | <b>O</b>     | Triathlon Coach       | 175 |  |  |
|          | <b>P</b>     | Water Fitness Trainer | 127 |  |  |
|          | <b>T</b>     | Wellness Counselor    | 175 |  |  |
|          | <b>I</b>     | Yoga Instructor       | 127 |  |  |
|          | <b>O</b>     | Youth Fitness Trainer | 127 |  |  |
|          | <b>N</b>     |                       |     |  |  |
|          | <b>A</b>     |                       |     |  |  |
|          | <b>L COV</b> |                       |     |  |  |

#### D. OPTIONAL COVERAGE & FEE CALCULATIONS

- 1. Additional Insured Calculation: for Groups:** \_\_\_\_\_ # of additional insureds X 5% of the **Total Premium Rounded**, also rounded to the nearest dollar, subject to a \$250 each minimum charge for groups. **For Self-Employed Individuals:** a 1% surcharge will apply to all Self-Employed Individual policies.
- 2. Terrorism Calculation:** included at no additional charge in the premium quoted.
- 3. Association Membership Fee due annually:**  
 $6\% \times (\text{Total Premium Rounded} + \text{Optional Coverages}) = \text{Final Premium plus fees Rounded.}$

#### E. MINIMUM DEDUCTIBLES

The following minimum deductibles apply per occupation as stated:

**\$2,500 minimum deductible:** Athletic Trainer, Bioethicists, Martial Arts Conditioning (with contact),  
 Massage Therapists, NBCC Rehabilitation Counselor (Including Wage/Loss Projections),  
 Physical Therapist, Psychological Assistant/Associate, Reiki Practitioner, Employed Pharmacist  
 Rehabilitation Counselor (Including Wage/Loss Projections).

**\$1,000 Minimum Deductible: All Others**

#### F. ROUNDING RULE

The dollar amount for **Total Premium** or each optional exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- Any amount involving \$.50 or over will be rounded up to the next highest whole dollar.
- Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

#### G. ADDITIONAL PREMIUM

- Pro-rate all changes requiring additional premium other than cancellation requested by insured which will then be calculated on a short rate basis subject to a 10% penalty.
- Additional premiums will be calculated based upon the rates and rules that are in effect as of the policy effective date.

#### H. RETURN PREMIUMS

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium based upon the rates used at policy inception.
3. Compute return premium pro-rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance is reduced. When cancellation of an entire policy is requested by the Insured, return premium will be the customary short-rate. The only exception to that is if a policy is cancelled for non-payment of premium, the return premium will be calculated according to the customary pro-rata cancellation.



## Section 10: Audits

1. Lockton Affinity will conduct semi-annual self-audits to assure that program guidelines are being followed. There will be a minimum of 20 files per year audited.
2. The audit will follow our standard QAP process and review:
  - a. Underwriting
  - b. Regulatory Compliance
  - c. Assessment of Timeliness
  - d. Compliance with documented file requirements
  - e. Compliance with documented Underwriting Guidelines
3. Copies of audit reports are to be retained in-house by the Senior Underwriter for review by Underwriters at any time.

### Professional Liability Audit Worksheet

Product Line:                      Program:                      Insured Name:  
 Velocity #                      Eff Date                      Audit Date:                      Audited By:

| <b>Underwriting</b>   | Yes | No | <b>QAP QUESTION</b>                      | Comments |
|---|-----|----|--|----------|
| Application information is currently dated and sufficient to provide risk details?      |     |    | Application                              |          |
| Submission is acceptable as prescribed by program guidelines?                           |     |    | Underwriting Guidelines                  |          |
| Submission is within Lockton authority or properly referred to carrier?                 |     |    | Underwriting Guidelines                  |          |
| Additional information pursued if needed and documented                                 |     |    | Documentation                            |          |
| Coverage bound within program parameters?   |     |    | Underwriting Guidelines                  |          |
| Pricing within rating guidelines and Lockton Authority or properly referred to carrier? |     |    | Rating – Pricing Guidelines              |          |
| Prior acts coverage dates appropriate?  |     |    | Policy Issuance                          |          |
| Acceptable rating factors used and documented   |     |    | Rating – Rating & Documentation          |          |
| Carrier system properly loaded & documented   |     |    | Documentation, Policy Issuance or Rating |          |
| <b>Processing</b>   |     |    |  |          |
| Quote delivered timely  |     |    | Proposals                                |          |
| Quote complete, clear and concise   |     |    | Proposals                                |          |
| RTB processed within 48 hours   |     |    | Binding – Request to Bind                |          |
| Policy delivered within program time frames   |     |    | Policy Issuance                          |          |
| Policy detail loaded accurately on Velocity   |     |    | Velocity – Detail Set                    |          |
| Dec page matches RTB and quoted terms   |     |    | Policy Issuance                          |          |
| Policy, Rating worksheet, underwriting  |     |    | Documentation                            |          |

|  |  |  |  |
|--|--|--|--|
| notes and all relevant application documents attached to Velocity  |  |  |  |
| Loss run in Velocity if applicable   |  |  | Loss Information   |
| Carrier approval in Velocity if applicable   |  |  | Referral – External Company                              |
| Endorsements – were they completed correctly?  |  |  | Endorsements   |
| Non-Renewals and Cancellations Regulatory Requirements were met. (correct # days, acceptable reasons     |  |  | Non-Renewals and Cancellations – Regulatory Requirements |
| Non-Renewals and Cancellations Procedures were followed. (referrals and approvals, correct reason codes) |  |  | Non-Renewals and Cancellations - Procedures              |

## RATING RULES

### A. PREMIUM CALCULATION

1. BASE RATE

First determine the appropriate Occupation and identify the applicable base rate from the Base Rate Chart. If there are multiple Occupations insured under the same policy the premium will be based upon the highest rated occupation.

2. EMPLOYMENT STATUS FACTOR

Identify the number of each of the following and apply the Employment Status factor to

the

number of each category.

| Employment Status               | Factor |
|---------------------------------|--------|
| Full Time Owners (GROUPS ONLY)  | 2.00   |
| Part Time Owners (GROUPS ONLY)  | 1.50   |
| Employed full time or part time | 1.00*  |
| Self Employed Full Time**       | 1.90*  |
| Self Employed Part Time**       | 1.40*  |

\* ISSA new business effective XX/XX/XXXX and after will only have one base rate regardless of employment category and hours. Existing business will have their prior rate structure grandfathered.

\*\*Physical Therapists that are Self-Employed (Full-Time and Part-Time) have their own base rate listed in the Base Rate by Occupation grid below, and are not subject to any additional self-employed full-time or part-time debit factor.

3. STUDENTS

Students, if enrolled full time in an accredited student program, are written on individual policies and rated at a flat premium charge of \$18 the first year and \$20 for each subsequent renewal. A single per claim/aggregate limit of liability of \$1,000,000/\$3,000,000 at a zero deductible applies to all Student policies. PMA students are an agreed to exception of \$18 for all years.

4. Calculate the Employed Only Individual Premium as follows:

(Occupation Base Rate) (Employment status factor- *always is 1.0*) (Increase Limit Factor) ( Prior Acts Factor) (State Factor of *default to 1.0*) (Claims Debit) (Disciplinary Debit) = Annual Employed Only Premium + 8% x Annual Employed Only Premium = Final Premium plus fees Rounded.

5. Calculate the Self Employed Full Time or Part Time Individual as follows:

[(Occupation Base Rate) (Self Employed Full Time Factor **of 1.9 or 1.4** for Part Time) ( Experience Factor) (Increase Limit Factor) ( Prior Acts Factor)( State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) ( Claims Debit) ( Disciplinary Debit) ( Risk Management Course Credit *default to 1.0*) (1% Additional Insured surcharge) = Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.

6. Calculate the ISSA Individual first written XX/XX/XXX or later as follows:

[(Occupation Base Rate) (Experience Factor) (Increase Limit Factor) ( Prior Acts Factor) (State Factor *default to 1.0*) (Individual Risk Modifier *default to 1.0*) (

Claims Debit) (Disciplinary Debit) ( Risk Management Course Credit *default to 1.0* ) (Military Veteran Credit *default to 1.0*) (ISSA Specialty Level Factor *default to 1.0*) (1% Additional Insured surcharge) = **Total Premium Rounded + 8% x Total Premium Rounded = Final Premium plus fees Rounded.**

7. Calculate Group Premium as follows:

[Calculate Full Time Owners at Employed rate for Occupation X 2.00 and Part Time Owners at Employed rate for Occupation X 1.50, then total all for **Owner Total**] [Calculate all Employees (and any IC's we are charging for) using Employed rate for Occupation, then total all for **Employed Total**]

(**Owner Total + Employed Total**) (group step factor) (Increase Limit Factor at minimum deductible) (State Factor) (Claims Debit) (Disciplinary Debit) (Individual Risk Modifier) (Multiple Locations) (Gross Revenue Modifier) (staff size credit) = **Total Premium Rounded + Additional Insured Premium Rounded = Total Premium with Optional Coverages + 8% x ( Total Premium Rounded with Optional Coverages) = Final Premium plus fees Rounded.**

- NOTE: Administrative Fee is currently 6% pending implementation of the new system, at which time it will be increased to 8%.

## B. RATING COMPONENTS

### 1. STAFF SIZE CREDITS (GROUPS ONLY)

- Groups will be given credit based on the size of the firm:
  - 3-5 = 4% credit
  - 6-10 = 6% credit
  - 11-15 = 8% credit
  - 16-19 = 10% credit
  - 20 or more = 15% credit (refer to Senior Underwriter)

### 2. LIMITS OF LIABILITY\*

The following limits are available with applicable Decrease/Increase Limits Factors (ILF's). The ILF should be applied to the rate for a \$1,000,000/\$3,000,000 policy to arrive at the correct base premium.

| Limit/Aggregate             | Factor |                                  |
|-----------------------------|--------|----------------------------------|
| \$100,000 / \$300,000       | .52    |                                  |
| \$250,000 / \$500,000       | .67    | *Shared Limit of Liability       |
| \$500,000 / \$500,000       | .83    | **Higher limits will be offered  |
| \$1,000,000 / \$1,000,000   | .91    | in Virginia to comply with state |
| \$1,000,000 / \$3,000,000   | 1.00   | requirements                     |
| \$2,000,000 / \$4,000,000** | 1.37   |                                  |

### 1. Prior Acts Factors for Individual Policies by Occupation Grouping:

| Group # | 1      | 2    | 3<br>NBCC |
|---------|--------|------|-----------|
| Year    | Factor |      |           |
| 1       | 1.00   | 1.00 | 1.00      |
| 2       | 1.14   | 1.14 | 1.00      |
| 3       | 1.26   | 1.19 | 1.00      |
| 4+      | 1.37   | 1.19 | 1.00      |

Prior Acts Factors for Group Policies:

| Year | Factor |
|------|--------|
| 1    | 1.00   |
| 2    | 1.14   |
| 3    | 1.26   |
| 4+   | 1.37   |

2. Risk Management credit of 10% will be given to those individuals who complete 4 hours or more of continuing education for Risk Management, Ethic or Legal or who obtained a secondary certification or licensure relevant to their profession within the past 12 months. Evidence of completion must be faxed in to receive the credit.

5. State

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

6. Multiple Locations:

|                          |
|--------------------------|
| <b>Debit 1.0 to 1.25</b> |
|--------------------------|

7. Individual Risk Modifier:

| Characteristic        | Factor      |
|-----------------------|-------------|
| Type of clients       | 1.25 to .75 |
| Business Experience   | 1.25 to .75 |
| Supervision of staff  | 1.25 to .75 |
| Quality of Management | 1.25 to .75 |
| Total                 | 2.00 to .75 |

8. Claims Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to Claims paid or reserved in the last 5 years</b> | <b>1.00 to 2.50</b> |

9. Disciplinary Debit

| Rule  | Factor              |
|---|---------------------|
| <b>Yes to 2 or more Disciplinary Investigations or Adverse Disciplinary Rulings in the last 5 years</b> | <b>1.00 to 2.50</b> |

10. Gross Revenue Modifier

| Rule   | Factor              |
|--|---------------------|
| <b>Yes to annual gross revenue exceeds \$1,500,000</b> | <b>1.00 to 1.50</b> |

11. Military Veteran Credit – ISSA only

| Rule | Factor |
|------|--------|
|------|--------|

|  |                    |
|--|--------------------|
| <b>ISSA - Yes to Military Veteran qualifies for one-time 10% discount; No will default to 1.00<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.90 to 1.00</b> |
|--|--------------------|

12. ISSA Specialty Level Factor

| <b>Rule</b>   | <b>Factor</b>      |
|---|--------------------|
| <b>ISSA – “Elite” status qualifies for 10% credit;<br/>“Masters” status qualifies for 12.5% credit;<br/>“Associate Degree via ISSA” qualifies for 15% credit; No special status will default to 1.00.<br/>(not available for ISSA Pilates Instructor, Yoga Instructor or Martial Arts Conditioning Specialist with contact)</b> | <b>.85 to 1.00</b> |

**C. BASE RATE BY OCCUPATION**

| Group 1                                    |           | Group 2  |           | Group 3   |           |
|--|-----------|--|-----------|---|-----------|
| Occupation                                 | Base Rate | Occupation   | Base Rate | Occupation  | Base Rate |
| Acupressurist                              | 220       | Adaptive Fitness Specialist                            | 127       | Massage Envy Massage Therapist – Part-Time                      | 67        |
| Art Therapist                              | 78        | Aerobics Instructor                                    | 127       | Massage Envy Massage Therapist – Full Time                      | 90        |
| Art Therapy Assistant                      | 78        | Athletic Trainer                                       | 127       | Massage Envy Aesthetician                                       | 175       |
| Art, Music, Dance, Recreational Therapists | 78        | BCC Career Coach                                       | 88        | NBCC Art Therapist  | 78        |
| Audiologist                                | 45        | BCC Executive Coach                                    | 88        | NBCC Art Therapist Assistant                                    | 78        |
| BANA Biofeedback Coach                     | 193       | BCC Health/Wellness Coach                              | 88        | NBCC Art, Music, Dance, Recreational Therapists                 | 78        |
| Bioethicist                                | 340       | BCC Life Coach   | 88        | NBCC Career Counselor   | 102       |
| Biofeedback Provider                       | 193       | BCC Personal Coach                                     | 88        | NBCC Case Worker/Manager  | 125       |
| CHCEA Homeopath Coach                      | 101       | Career Counselor                                       | 112       | NBCC Certified Marriage & Family Therapist                      | 102       |
| CMAA Massage Therapist                     | 120       | Case Worker/Manager                                    | 180       | NBCC College Admissions Counselor                               | 102       |
| College Admissions Counselor               | 101       | Certified Fitness Trainer                              | 127       | NBCC Counselor Educator   | 102       |
| Counselor Educator                         | 101       | Certified Marriage & Family Therapist                  | 102       | NBCC Dance Therapist  | 78        |
| Dance Therapist                            | 78        | CPR Trainer  | 70        | NBCC Dance Therapist Assistant                                  | 78        |
| Dance Therapy Assistant                    | 78        | CMAA Aerobics, Pilates, Yoga Instructor                | 127       | NBCC Drug & Alcohol Counselor                                   | 102       |
| Dietitian                                  | 51        | CMAA Athletic, Fitness, Golf Fitness, Personal Trainer | 127       | NBCC Licensed/Certified Professional Counselor                  | 102       |
| HCANA Relaxation Therapist                 | 68        | Dental Assistant                                       | 63        | NBCC Mental Health Counselor                                    | 102       |
| Histologic Technician                      | 62        | Dental Hygienist                                       | 63        | NBCC Music Therapist  | 78        |
| Hypnotherapist (non-entertainment)         | 131       | Endurance Fitness Trainer                              | 127       | NBCC Music Therapy Assistant                                    | 78        |
| LED Therapy                                | 68        | Executive Coach  | 88        | NBCC Occupational Therapist                                     | 75        |
| Massage Therapist                          | 120       | Fitness Therapist                                      | 127       | NBCC Occupational Therapy Assistant                             | 75        |
| Medical Dosimetrist                        | 193       | Fitness Therapy Assistant                              | 127       | NBCC Pastoral Counselor   | 102       |
| Medical Lab Technician                     | 62        | Golf Fitness Trainer                                   | 127       | NBCC Pastoral Counselor Assistant                               | 102       |
| Medical Technologist                       | 62        | HCANA Health Coach                                     | 88        | NBCC Patient Intake Technician                                  | 125       |
| Music Therapist                            | 78        | HCANA Light Therapist                                  | 88        | NBCC Recreational Therapist                                     | 78        |
| Music Therapy Assistant                    | 78        | Health & Safety Educator                               | 70        | NBCC Rehabilitation - Counselor/Therapist/Consultant            | 102       |
| NTANA Hypnotherapist                       | 131       | Holistic Fitness Trainer                               | 127       | NBCC Rehabilitation Counselor (including wage/loss projections) | 102       |

| Group 1                        |           | Group 2                       |           | Group 3                             |           |
|--------------------------------|-----------|-------------------------------|-----------|-------------------------------------|-----------|
| Occupation                     | Base Rate | Occupation                    | Base Rate | Occupation                          | Base Rate |
| NTANA Reflexology/Accupressure | 220       | Independent Living Instructor | 180       | NBCC Recreational Therapy Assistant | 78        |

|  |     |  |             |                                      |     |
|--|-----|--|-------------|--------------------------------------|-----|
| Coach  |     |  |             |                                      |     |
| NTANA Sound Therapist                        | 89  | ISSA - Adaptive Fitness Specialist<br>*First written<br>xx/xx/xxxx or later                              | 127<br>178* | NBCC School Counselor                | 102 |
| Occupational Therapist                       | 193 | ISSA - Aerobic Instructor<br>*First written<br>xx/xx/xxxx or later                                       | 127<br>178* | NBCC Social Worker                   | 102 |
| Occupational Therapy Assistant               | 193 | ISSA - Athletic Trainer<br>*First written<br>xx/xx/xxxx or later   | 127<br>178* | NBCC Wellness Counselor              | 125 |
| Optician                                     | 220 | ISSA - Certified Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Certified Pilates Instructor     | 110 |
| Optician Assistant                           | 193 | ISSA - Certified Personal Trainer<br>*First written<br>xx/xx/xxxx or later                               | 127<br>178* | PMA Non-Certified Pilates Instructor | 130 |
| Patient Intake Technician                    | 120 | ISSA - Endurance Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* | PMA Student                          | 18  |
| Pharmacist                                   | 339 | ISSA - Fitness Therapy Assistant<br>*First written<br>xx/xx/xxxx or later                                | 127<br>178* |                                      |     |
| Pharmacy Assistant/Technician                | 84  | ISSA - Fitness Therapist<br>*First written<br>xx/xx/xxxx or later  | 127<br>178* |                                      |     |
| Phlebotomy Technician                        | 62  | ISSA - Golf Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                     | 127<br>178* |                                      |     |
| Physical Therapist – Employed                | 114 |  |             |                                      |     |
| Physical Therapist – Self Employed Full Time | 255 | ISSA - Holistic Fitness Trainer<br>*First written<br>xx/xx/xxxx or later                                 | 127<br>178* |                                      |     |
| Physical Therapist – Self Employed Part Time | 188 |  |             |                                      |     |
| Physical Therapy Assistant                   | 49  | ISSA - Martial Arts Conditioning Specialist no physical contact<br>*First written<br>xx/xx/xxxx or later | 127<br>178* |                                      |     |
| Psychological Assistant/Associate            | 339 |  |             |                                      |     |



| Group 1   |           | Group 2  |             | Group 3    |           |
|---|-----------|--|-------------|------------|-----------|
| Occupation  | Base Rate | Occupation   | Base Rate   | Occupation | Base Rate |
| Radiation Therapist   | 220       | ISSA - Martial Arts Conditioning Specialist with physical contact        | 175         |            |           |
| Radiological Technologist   | 193       | ISSA - Older Adult Fitness Trainer<br>*First written xx/xx/xxxx or later | 175<br>178* |            |           |
| Recreational Therapy Assistant  | 78        | ISSA Pilates Instructor  | 127         |            |           |
| Reflexologist   | 220       | ISSA - Water Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Counselor/Therapist/Consultant   | 220       | ISSA - Yoga Instructor   | 127         |            |           |
| Rehabilitation Counselor/Therapist/Consultant (including forensic and wage loss medical evaluation) | 340       | ISSA - Youth Fitness Trainer<br>*First written xx/xx/xxxx or later       | 127<br>178* |            |           |
| Rehabilitation Engineer   | 220       | Job Coach/Job Developer/Job Trainer                                      | 88          |            |           |
| Rehabilitation Therapist Assistant  | 53        | Licensed/Certified Professional Counselor                                | 117         |            |           |
| Reiki Practitioner  | 68        | Life Coach   | 88          |            |           |
| Respiratory Therapist   | 53        | Martial Arts Conditioning Specialist no physical contact                 | 127         |            |           |
| Respiratory Therapist Assistant   | 53        | Martial Arts Conditioning Specialist with physical contact               | 175         |            |           |
| School Counselor  | 101       | NHMEA Health Coach   | 88          |            |           |
| Speech Pathologist  | 45        | NHMEA Nutrition Coach  | 61          |            |           |
| Speech Therapist  | 50        | NHMEA Nutritionist   | 61          |            |           |
| Vocational Evaluator  | 220       | NTANA Stress Mgt Coach   | 88          |            |           |
| Work Adjustment Specialist  | 220       | Nutritionist   | 61          |            |           |
| Work Hardening/Functional Capacity/Assessment   | 220       | Older Adult Fitness Trainer  | 175<br>119  |            |           |
|   |           | Pastoral Counselor   |             |            |           |
|   |           | Pastoral Counseling Assistant  | 119         |            |           |
|   |           | Performance Nutrition Specialist   | 61          |            |           |

| Group 1    |           | Group 2        |           | Group 3    |           |
|------------|-----------|----------------|-----------|------------|-----------|
| Occupation | Base Rate | Occupation     | Base Rate | Occupation | Base Rate |
|            |           | Personal Coach | 88        |            |           |

|          |              |                       |     |  |  |
|----------|--------------|-----------------------|-----|--|--|
|          |              | Pilates Instructor    | 127 |  |  |
| <b>D</b> |              | Social Worker         | 112 |  |  |
|          |              | Transition Specialist | 179 |  |  |
|          | <b>O</b>     | Triathlon Coach       | 175 |  |  |
|          | <b>P</b>     | Water Fitness Trainer | 127 |  |  |
|          | <b>T</b>     | Wellness Counselor    | 175 |  |  |
|          | <b>I</b>     | Yoga Instructor       | 127 |  |  |
|          | <b>O</b>     | Youth Fitness Trainer | 127 |  |  |
|          | <b>N</b>     |                       |     |  |  |
|          | <b>A</b>     |                       |     |  |  |
|          | <b>L COV</b> |                       |     |  |  |

#### D. OPTIONAL COVERAGE & FEE CALCULATIONS

- 1. Additional Insured Calculation: for Groups:** \_\_\_\_\_# of additional insureds X 5% of the **Total Premium Rounded**, also rounded to the nearest dollar, subject to a \$250 each minimum charge for groups. **For Self-Employed Individuals:** a 1% surcharge will apply to all Self-Employed Individual policies.
- 2. Terrorism Calculation:** included at no additional charge in the premium quoted.
- 3. Association Membership Fee due annually:**  
 $6\% \times (\text{Total Premium Rounded} + \text{Optional Coverages}) = \text{Final Premium plus fees Rounded.}$

#### E. MINIMUM DEDUCTIBLES

The following minimum deductibles apply per occupation as stated:

**\$2,500 minimum deductible:** Athletic Trainer, Bioethicists, Martial Arts Conditioning (with contact),  
 Massage Therapists, NBCC Rehabilitation Counselor (Including Wage/Loss Projections),  
 Physical Therapist, Psychological Assistant/Associate, Reiki Practitioner, Employed Pharmacist  
 Rehabilitation Counselor (Including Wage/Loss Projections).

**\$1,000 Minimum Deductible: All Others**

#### F. ROUNDING RULE

The dollar amount for **Total Premium** or each optional exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

- Any amount involving \$.50 or over will be rounded up to the next highest whole dollar.
- Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

#### G. ADDITIONAL PREMIUM

- Pro-rate all changes requiring additional premium other than cancellation requested by insured which will then be calculated on a short rate basis subject to a 10% penalty.
- Additional premiums will be calculated based upon the rates and rules that are in effect as of the policy effective date.

#### H. RETURN PREMIUMS

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium based upon the rates used at policy inception.
3. Compute return premium pro-rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance is reduced. When cancellation of an entire policy is requested by the Insured, return premium will be the customary short-rate. The only exception to that is if a policy is cancelled for non-payment of premium, the return premium will be calculated according to the customary pro-rata cancellation.

## Section 10: Audits

1. Lockton Affinity will conduct semi-annual self-audits to assure that program guidelines are being followed. There will be a minimum of 20 files per year audited.
2. The audit will follow our standard QAP process and review:
  - a. Underwriting
  - b. Regulatory Compliance
  - c. Assessment of Timeliness
  - d. Compliance with documented file requirements
  - e. Compliance with documented Underwriting Guidelines
3. Copies of audit reports are to be retained in-house by the Senior Underwriter for review by Underwriters at any time.

### Professional Liability Audit Worksheet

Product Line:                      Program:                      Insured Name:  
 Velocity #                      Eff Date                      Audit Date:                      Audited By:

| <b>Underwriting</b>   | Yes | No | <b>QAP QUESTION</b>                      | Comments |
|---|-----|----|--|----------|
| Application information is currently dated and sufficient to provide risk details?      |     |    | Application                              |          |
| Submission is acceptable as prescribed by program guidelines?                           |     |    | Underwriting Guidelines                  |          |
| Submission is within Lockton authority or properly referred to carrier?                 |     |    | Underwriting Guidelines                  |          |
| Additional information pursued if needed and documented                                 |     |    | Documentation                            |          |
| Coverage bound within program parameters?   |     |    | Underwriting Guidelines                  |          |
| Pricing within rating guidelines and Lockton Authority or properly referred to carrier? |     |    | Rating – Pricing Guidelines              |          |
| Prior acts coverage dates appropriate?  |     |    | Policy Issuance                          |          |
| Acceptable rating factors used and documented   |     |    | Rating – Rating & Documentation          |          |
| Carrier system properly loaded & documented   |     |    | Documentation, Policy Issuance or Rating |          |
| <b>Processing</b>   |     |    |  |          |
| Quote delivered timely  |     |    | Proposals                                |          |
| Quote complete, clear and concise   |     |    | Proposals                                |          |
| RTB processed within 48 hours   |     |    | Binding – Request to Bind                |          |
| Policy delivered within program time frames   |     |    | Policy Issuance                          |          |
| Policy detail loaded accurately on Velocity   |     |    | Velocity – Detail Set                    |          |
| Dec page matches RTB and quoted terms   |     |    | Policy Issuance                          |          |
| Policy, Rating worksheet, underwriting  |     |    | Documentation                            |          |

|  |  |  |  |
|--|--|--|--|
| notes and all relevant application documents attached to Velocity  |  |  |  |
| Loss run in Velocity if applicable   |  |  | Loss Information   |
| Carrier approval in Velocity if applicable   |  |  | Referral – External Company                              |
| Endorsements – were they completed correctly?  |  |  | Endorsements   |
| Non-Renewals and Cancellations Regulatory Requirements were met. (correct # days, acceptable reasons     |  |  | Non-Renewals and Cancellations – Regulatory Requirements |
| Non-Renewals and Cancellations Procedures were followed. (referrals and approvals, correct reason codes) |  |  | Non-Renewals and Cancellations - Procedures              |